The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

February 25, 1939

Japan and the Missions

AN EDITORIAL

Loyal Admiral Sah Chen-ping

Japanese to Attack Nanchang

War Loans in Eastern Asia

BY KURT BLOCH

Japanese Troops in Mutiny

Chekiang's Communications

BY T. C. TSAO

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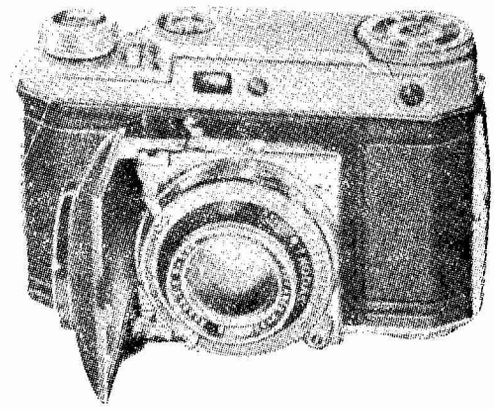

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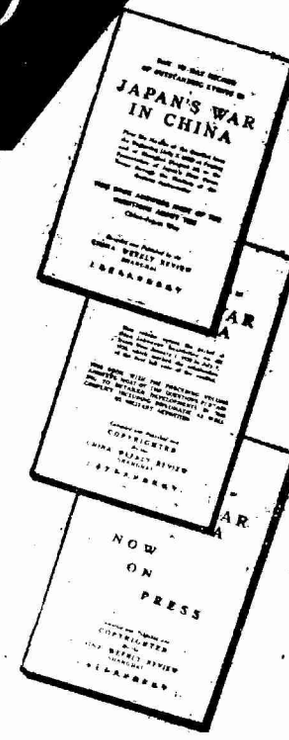
The Undeclared War



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What People Are Saying

Comments from Readers on Current Topics are cordially invited; their opinions, however, do not necessarily represent the views of the *China Weekly Review*.

AMERICAN BROADCAST

To The Editor:

I wish to express my appreciation of the efforts of Miss A. Viola Smith to arouse interest in the San Francisco broadcast and along with many others wish her fullest success. Not possessing a proper receiving set, I have not heard the 'Frisco program.

There is one element in this attempt to bring to Shanghai an American program, broadcast from the 'Frisco exposition, which should interest local Americans and their Chinese associates. There is great need here for a 100-per cent American broadcasting station of sufficient power to receive and re-broadcast these and other American programs. What I have in mind is a station which would not be subject to commercial control but would be available at all times for news, musical and cultural broadcasts. There are said to be 25 or 30 broadcasting stations in Shanghai, practically all of which are allegedly linked up with Japanese, anti-Comintern, Ta-Tao, Nanking-Reformed, or some other kind of propaganda. One station is said to be subsidized by British interests, another by the Italians, another by Chungking, and what have you? — everything except American propaganda.

While I am not familiar with the details, I have been informed that such an American station would not cost more than U. S. $1,500 and its maintenance would not be heavy. I am convinced that a majority of the Americans here and elsewhere in China would be willing to tax themselves, voluntarily, for the support of such a station. I understand that there is serious interest in the United States in establishing cultural contact with South American countries. Why not the Orient also and why shouldn't the Americans here extend a helping hand?

ONE AMERICAN

Shanghai, Feb. 22, 1939.

GUAM AND THE P.I.

To The Editor:

I was interested in your article on Guam in a recent issue of the **Review**. As I see it, this is one of three developments affecting America's future in the Far East which seems irreconcilable with complete American withdrawal from the western Pacific. The other two are the recommendations for a new Philippine-American trade agreement which, in effect, if accepted by Congress, would make the Islands an American economic protectorate until 1960, and the U.S. note categorically denying Japan's "New Order" implying hegemony over the western Pacific, including the Philippines.

Obviously, there is a lot of opposition in Congress and at home both to the continuance in the Philippines and the extension of U. S. defense lines to Guam, but it seems clear that as long as we hold on to our Open Door rights in China, sooner or later Congress will find itself committed to post-independence defense of the Philippines. In other words, we'll find ourself fighting for an empire that's already given up.

EDGAR SNOW

Baguio, P.I., Feb. 10, 1939.

A FATHER KIDNAPPED

To The Editor:

I notice that you frequently publish letters describing conditions in interior places which are now under Japanese rule. You may be interested in learning that my old father, 80 years of age, was kidnapped by Japanese from the China Inland Mission Church compound in Anking, Anhwei, in September of last year. No word has been received from my parents for a long time. My brother tried to obtain some information about them in Shanghai but without success.

C. L.

Kweichow, Feb. 7, 1939.

RAIN AFTER DROUGHT

To The Editor:

The 50 copies of your issue of Dec. 24, 1938 were all sold out long ago.... Your readers here expect the arrival of your paper just as eagerly as the farmers expect rains after a great drought.

S. Y.

Kian, Kiangsi, Feb. 7, 1939.

INTEREST IN MANILA

To The Editor:

I am very much interested in the **China Weekly Review** because it circulates among people who are close to my heart, as I am myself of Chinese-Filipino parentage. You should be interested in the fact that there are 84,000 Chinese in the Philippines and that there are also 18,000 Japanese here in my country—several of whom are sometimes truculent and not infrequently get tangled in our fishing and land laws. There is an interesting and widely read paper here which is somewhat similar to your Review. It is the Philippines **Free Press** which has been published for 32 years. It is owned by a British subject who has been in the islands for nigh 40 years. I am sorry that I do not write impeccable English as your correspondents in various parts of China do, but I assure you that I shall try to be lucid in an article which I am now writing for your paper.

T. O. L.

Manila, P. I. Feb. 11, 1939.

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In the United States Court for China

In re	Cause No. 4386
LAST WILL AND TESTAMENT	Estate No. 2265
of	NOTICE
ALBERT ERNEST JACKSON, deceased.	Filed at Shanghai, China, February 16, 1939.
	WILLIAM T. COLLINS, Clerk.

NOTICE IS HEREBY GIVEN that Vivienne Wells Jackson has filed herein a petition for the probate of an instrument purporting to be the last will and testament of Albert Ernest Jackson, deceased, praying for an order admitting said instrument to probate and for the issuance of letters testamentary to her; and that the 8th day of April, 1939, at 10 o'clock in the forenoon of said day at the court room of the United States Court for China at Shanghai, has been set aside for the hearing of said petition, and all persons interested are hereby notified to appear at the time and place set for said hearing and show cause, if any they have, why the prayer of said petition should not be granted.

Reference is hereby made to said petition and to the citation heretofore issued herein for further particulars.

Dated February 16th, 1939.

WILLIAM T. COLLINS,
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United States Court for China.

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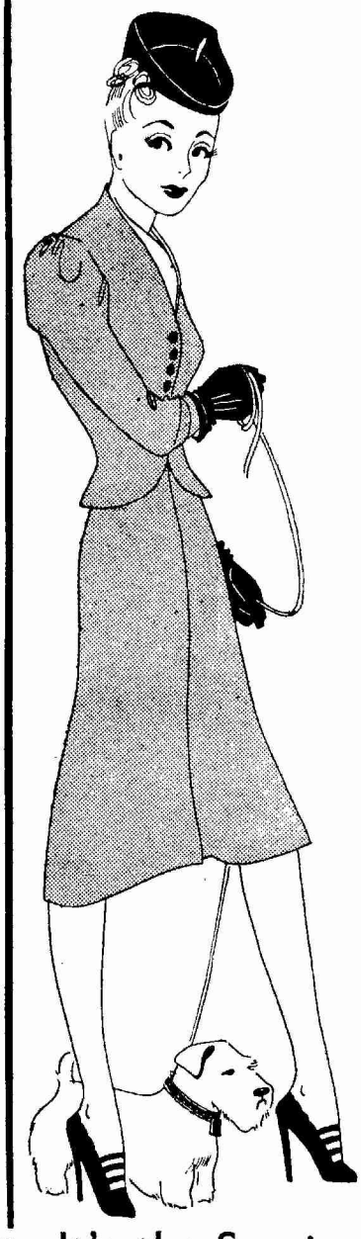

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Volume 87 Shanghai, China, Saturday, February 25, 1939 Number 13

CHINA'S VENERABLE ADMIRAL SAH CHEN-PING STILL WORKING FOR CAUSE

A correspondent recently sent *The Review* an account of the life and activities of China's venerable Admiral Sah Chen-ping, who, despite his 81-years, and the complete loss of China's fleet, is continuing to work in his country's behalf.

Among men in the history of China who by their achievements in public life and the character of their private lives are outstanding, is Admiral C. P. Sah. He was born in Foochow in 1858 and chose the Navy as a career, receiving his early training at Chinese Naval Academy at Foochow. He then went to England and studied at the Greenwich Naval College, following which he spent two years with the British Navy. One of his captains, later Admiral Tryon, was lost in the Victoria in 1893. Upon his return to China he taught in the Naval Academy at Tientsin, one of his pupils being Li Yuan-hung who later became President of the Republican Government. Joining the Navy with the rank of captain, he commanded in turn the training ship Kuang-chi and the cruisers Tungchi and Haichi. He participated in the Sino-Japanese War as commander of the Haichi, operating in the Gulf of Chihli, and succeeded by a clever strategy in saving his ship from capture by the Japanese. The details of that incident cannot yet be told, but at the close of the war he became commander of the Woosung Forts. From 1900 to the First Revolution, he held numerous position with the Imperial Fleet and in 1909-1910 headed a naval mission which traveled in America, Europe and Japan. Following the Revolution, Admiral Sah was president of the Maritime Academy at Woosung, director-general of land and river police in the Shanghai-Woosung district, director-general of all arsenals and in 1916 was offered, but did not accept the chief command of the Chinese Navy. In 1919 he headed another Naval Mission to Europe, following which he served as Minister of Navy and then as Acting Prime Minister of the Central Government and later as Military and Civil Governor of his home province, Fukien.

Admiral Sah Chen-ping

And finally we come to the most significant chapter: After residing in retirement at Foochow for several years, where he occupied himself in relief and charitable activities, Admiral Sah immediately offered his services to his government upon the outbreak of hostilities with Japan in the summer of 1937. Despite his advanced age—over 80-years—he journeyed to Hongkong, Singapore and elsewhere in the South where he assisted in raising financial support for the Government among Chinese residing in those regions.

Upon his return from this mission last year, he proceeded to Szechuen where he has taken his chances with Japanese bombers along with younger patriots. His life, public and private, has been and still is an inspiring example to those of his countrymen who are determined to preserve the freedom and integrity of their native land.

The editor of *The Review* takes pleasure in publishing this tribute to a distinguished citizen of China, especially at this critical time in the history of the country!

125 GAMBLING RESORTS PAY "TAXES" TO JAPANESE AND PUPPETS

ACCORDING to a survey of the gambling and lottery dens now in operation in the Japanese Army-protected "badlands" district on the western border of the International Settlement, there are now approximately 125 institutions of this charaction functioning in the district. All have been opened since the occupation of the territory by the Imperial Japanese Army and the establishment in Jessfield area of an office of the so-called "Special Service Section" of the Japanese fighting forces. This information appeared in an article published in the *North-China Daily News*, leading British newspaper, on Feb. 19.

The article in the *N.-C. D. N.* said that gambling halls began to spring up in the district a year ago, most of them being operated by Chinese of the criminal type or by Japanese ronin. The Japanese military police who control the area, first closed the dens, but later permitted them to reopen, following payment of fees. The Japanese Army's Special Service Section then stepped in and created a so-called "Shanghai Amusement Supervision Department," to control the gambling development which grew like the proverbial mushroom. Most of the places, in addition to the payment of a license fee, were "taxed" at the rate of $152 a day. The walls of alleyways and even entrances are plastered with posters advertising the joints and some of the larger places use Neon signs. All of the places employed armed guards, most of them being gangsters of the worst types. Most of the recent assassinations, bombings and gang fights have originated in this area.

Below is a list of 24 known gambling dens believed to be operating in the Western district at the time of the Chinese New Year:

Fu Sung Company, 10 Ting Nyich Li (Lane 16), Brenan Road.

Sung Kee Amusement Society, 38 Sing Kong Li (Lane 510), Connaught Road.

Yoong Sung Club, 184 Kong Kya Jau, Jessfield Road.

Lien Yih Amusement Society, Yih Kya Tsa, Yenping and Connaught Roads.

Dah Sung Amusement Society, 41 Sing Kong Li (Lane 510) Connaught Road.

Lee Wei Lo Amusement Society, adjoining 1182 Yu Yuen Road.

Far Eastern (Yuan Tung) Club, 86 Mo Loo Jau, Jessfield Road.

Kwang Sung Company, 135 Jessfield Road, near Brenan Road.

Ziang Sung Company, 70 Zang Shan Li (Lane 917), Jessfield Road.

Dah Shing Company, 10 Zung Tuh Li, Jessfield Road.

Zung Li Amusement Society, 62 Kong Kya Jau, Jessfield Road.

Li Sung Company, 32 East Tsu An Pang, off Edinburgh Road.

Si Tsu An Amusement Society, 181 West Tsu An Pang, off Edinburgh Road.

Jess Mei Fong Amusement Society, 6 Mei Fong Li, off Robinson Road.

Sing Yoong Sung Club, 1 Ching Kya Hong off Jessfield Road.

Tung Hsing Amusement Society, 23 Ching Kya Hong, off Jessfield Road.

Yoong Yuen Amusement Society, 121 Yoong Yuen Pang, off Bubbling Well Road (extra-Settlement).

Sing Sing Amusement Society, 30 Tsu Ka So, off Avenue Haig.

Yee Foong Amusement Society, 8 Yee Foong Li, off Jessfield Road.

Li Yuen Amusement Society, 2 Tse Zung Li, off Robinson Road.

Tien Kung (or Heavenly Palace) Amusement Society, 1 San Ming Li, off Brenan Road.

Van Kung Amusement Society, 104 Ting Kong Li, off Jessfield Road.

Tuh Kee Amusement Society, 81 East Fah Hwa Tsung, off Great Western Road.

Bubbling Well Club, situated in an unnumbered house in an alleyway next to 1788-B Bubbling Well Road.

As may be seen, these dens are in some cases close to Municipal roads. In some instances one alleyway has more than one gambling establishment. Further, the names of some of the lanes listed recall assassinations, attacks, shootings, bombings and other outrages committed since the badlands became bad on a grand scale.

Japan's "Culture Program" Includes Control of Christian Missions

IN recent weeks there have arrived in China a number of Japanese Christians who came here with a made-in-Japan program to unite all of the religious sects of Asia. Immediately upon arrival the Japanese Christians called upon leading foreign missionaries and explained their program for bringing about unity between Japanese and Chinese Christians. The foreign missionaries, according to the Japanese, were to provide the bridge between the Christian sects of Japan and those of China. Among the outstanding Japanese Christians, who are pushing the unity movement is the Rev. Sabrow Yasumura, who is the director of a Christian "center" in Osaka.

In one city near Shanghai where one of the Japanese Christian emissaries has established himself, apparently with the full approval of the local Japanese military commander, the foreign missionaries have received a proposal that he (the Japanese Christian) serve as a medium or "center" through which all communications between the missionaries and Chinese Christians, are transmitted. In other words, all Christian communications such as tracts, magazines, literature of all kinds, should be sent to the office of the Japanese, together with lists of Christian converts, and the Japanese would be responsible for distributing the materials.

What steps the foreign missionaries have taken to meet this attempt to cut them off from direct contact with their converts has not been announced. It is known, however, that Christian missionary leaders as well as their Chinese associates are seriously disturbed at the development and in some cases, allegedly, have refused to have any relations with the Japanese emissaries that would prejudice their positions with Chinese Christians.

Prior to the present "Culture" drive, Japanese Christians were only concerned with relief and comfort-activity among Japanese troops. One station of this character, established through the efforts of another Osaka Christian, the Rev. Tadakatsu Miyazaki, in the Hongkew section is said to cater to 200 to 500 Japanese daily. The activities of this group include distribution of comfort-kits and maintenance of a barber-shop and bath-house.

When this group initiated its activities among Japanese soldiers it aroused deep suspicion among Japanese police and gendarmerie. All meetings of Japanese Christians were "supervised" by the police and all parcels and communications addressed to Japanese soldiers in China were carefully inspected by the police censors.

No effort was made by this group to establish contact with foreign missionaries or Chinese Christians. Foreign missionaries have, however, discussed on many occasions, both in China and Japan, the problem of Sino-Japanese relations with Japanese Christians as well as foreign missionaries in Japan.

THE JAPANESE PROGRAM

Some idea of the extent of the Japanese program is provided by the following translation of a pamphlet printed in the Japanese language which was widely distributed in Japan and among Japanese here:

THE CREEDS OF CENTRAL CHINA RELIGIOUS LEAGUE

The aim of the present sacred war is to build a strong and stable China and to lay down a new foundation of peace in East Asia in accordance with the policy of Imperial Japan.

The Eastern Pacific is the cradle of Oriental morality and civilization as well as an ideal place for religious and human life. The Chinese people have been recently intoxicated by Communism and narrow anti-foreignism, thus resulting in the present war that is shaking the whole of East Asia.

Today the various religious sects in Japan have united and are anxious to seek close cooperation with religious sects in China which have a common belief, in preparation for a protracted religious war and for the establishment of a new order in East Asia.

Wars, as a rule, have no respect for religious activities, and many nations have suffered from them. The European War is an example.

All religious sects in Japan have encountered difficulties. It is now a high time for all of us to lead the war-stricken and stray Chinese masses in pursuance of our national policy, and for the spiritual advancement of our nationals in China, the Central China Religious League is organized.

BY-LAWS OF CENTRAL CHINA RELIGIOUS LEAGUE

Chapter 1.

Name: The league is called "Central China Religious League."

Chapter 2.

Offices: The offices of the League are to be estabilshed in Shanghai.

Chapter 3.

Purposes: The Central China Religious League aims at laying down a firm foundation for permanent peace in East Asia through unification of religious sects in Japan and Sino-Japanese religious cooperation.

Chapter 4.

Functions: The functions of the league are as follows:

(1) Unification of religious sects in Japan and execution of religious research work.
(2) Control over religions and execution of matters pertaining to religion.
(3) Unification of religious sects in China and promotion of cosmopolitanism.
(4) Promotion of mass education.
(5) Propaganda and publication projects.
(6) Holding of religious conferences.
(7) Other functions.

Chapter 5.

Organization: The League is composed of the following religious sects and individuals who are in agreement with the creeds of the league.

(1) Religious sects recognized by the Japanese Government.
(2) Chinese religious sects recommended by the Board of Directors of the League.
(3) Individual members:
  a. honorary members.
  b. special members.
  c. ordinary members

Chapter 6.

Officials: The officials of the League are as follows:

Director-General
Deputy Director-General
Chairman of Board of Directors
Executive Directors
Directors
Members of the Council of the League

(1) Director-General takes charge of all affairs in the name of the League.
(2) Deputy Director-General assists Director-General in handling affairs in the name of the League.
(3) Chairman of the Board of Directors takes charge of the affairs of the League and calls conferences.
(4) Executive directors assist Chairman of the Board of Directors in handling all matters pertaining to the League.
(5) Directors are responsible for the execution of the functions of the League.
(6) Members of the Council have the right to confer on matters relating to the League.

Chapter 7.

Election of Staff Members:

(1) Director-General and Deputy Director-General are to be elected from those who can represent all religions in both Japan and China.
(2) Directors are to be elected from among the religious sects which join the League.
(3) Executive Directors are to be chosen from among representatives of Shinto, Buddhist and Christian sects and directors.
(4) Chairman of the Board of Directors is to be elected by the Board and approved by the supervisory organs.
(5) Members of the Council are to be elected by representatives of the various religious sects and the Board of Directors.
(6) The term of office of Director-General is unfixed and that of other officials is one year.

Chapter 8.

Staff: The League may maintain a staff, including secretaries.

Chapter 9.

Assembly: The assembly is to be convened by the Board of Directors and Council.

(1) The Assembly is to be held once a year during which reports on the work of the league are to be made and important matters discussed.
(2) The Board of Directors is to hold conference four times a year and extraordinary conferences when deemed necessary.
(3) The Council may hold meetings according to the decisions of the Board of Directors.
(4) Resolutions adopted at the Assembly and the meetings of the Board of Directors and Council may be considered as valid when a majority of the directors and members of the Council are in attendance. But in the case of the revision of the regulations of the League, the attendance of two-thirds of the directors and members of the Council is required.

Chapter 10.

Maintenance expenses: The maintenance expenses of the League are to be dervied from the following sources:

(1) Obligatory dues from members of the League.
(2) Contributions from various religious and other public organizations.
(3) Contributions from member organizations and other contributions.

Chapter 11.

Supervision: The League is under the supervision of the government organs concerned with religions affairs.

Chapter 12.

Annex:

The functions of the League are to be stated in detail in another set of regulations.

Members:

(1) Those who contribute more than $10,000 are honorary members.
(2) Those who contribute more than $1,000 are special members.
(3) Those who contribute more than $50 are ordinary members.

BUDDHISTS "TAKEN OVER"

That the Japanese are also directing their attention to the Buddhists was indicated a few months ago when the Japanese Army conducted a party of foreign journalists on a trip to Hangchow, capital of Chekiang, noted as one of China's famous cultural centers.

The journalists were taken to Ling-Yin Temple and Monastery, ancient Buddhist institution, popularly known as "soul's retreat," which was founded by an Indian monk in A.D. 326. The temple is visited annually by thousands of Chinese pilgrims from all parts of the country and abroad. The temple and monastery are located in a beautiful wooded glen at the foot of a sacred mountain which, according to tradition, "flew over from India."

Under normal conditions Ling-Yin Temple and Monastery house between 700 and 800 priests and acolytes. Owing to its reputed establishment by Buddhist priests from India, Ling-Yin and other institutions in this section of China enjoy higher prestige than those located in other parts of the country. The sacred Island of Pootoo, located in the Chusan Archipelago, off the Chekiang Coast, is regarded as the spiritual head of the Church by Buddhists throughout the country.

Ling-Yin Temple and Monastery were occupied by the Japanese Army at the time of the capture of Hangchow.

On the occasion of the visit by the group of foreign journalists, the Japanese military authorities arranged an interview with the chief priest at the temple. The priest discoursed at length (through an interpreter) on the "union" of Chinese and Japanese Buddhism, telling how appreciative the Chinese were that Japanese Buddhists were leading the movement for the rejuvenation of the faith.

Thinking there was something strange in the head priest's mannerism, one of the foreign newspapermen, who had resided in China for sometime, made a closer inspection of the man and discovered, to his astonishment, that the priest was not a Chinese, but a Japanese. He was wearing the traditional Chinese Buddhist robe. Questioning one of the military officers, it was admitted that the Japanese authorities had appointed a Japanese priest, member of a sect in Japan, as head of Ling-Yin. The Army had followed the same method in this regard as it had at Shanghai where Chinese cotton and cement factories were turned over to Mitsui and Mitsubishi. It was explained that special inducements were being offered to the Chinese Buddhist priests and acolytes to return to their duties and a school had been started for training Chinese youths in accordance with the Japanese program.

Forcible Conscription is Forbidden by Generalissimo

The Ministry of War in Chungking has been instructed by General Chiang Kai-shek to institute a careful investigation into the application of the conscription law and to punish persons found to have drafted men for military service by "forcible means." This is according to a Hongkong report published Feb. 15 in the *Shun Pao*, leading Chinese daily. A similar report was carried from Chungking by the *Kuo Min* agency on the same date.

There have been frequent reports of the employment of press-gang methods to force men into the army, especially in Szechwan province. One such report, published in a New York weekly, described a scene in Szechwan in which a number of impressed army recruits were roped together like galley slaves and escorted by armed guards. Other reports have told of villages where youthful peasants were afraid to appear on the streets because of danger of seizure by recruiting squads.

Japan Times Hainan Invasion With 'Axis' Moves

(*Editorial Correspondence*)

DISCUSSING the Japanese invasion of Hainan Island with foreign correspondents in Chungking, Gen. Chiang Kai-shek characterized the newest Japanese action as another "Mukden Incident"—this time in the Pacific. There is much truth in this statement. If Manchuria is the "Tinder Box of Asia," Hainan may be called a powder magazine in the Pacific.

Strategically, the island is of great importance in the calculations of the United States, Britain and France. In the past, the Chinese concentrated great effort on its development. In November, 1937, Mr. T. V. Soong made a trip there and reportedly raised a sum of several millions for development work. Subsequently, many Chinese officials visited the island and long-range plans were drafted, in which sugar-growing occupied a leading place.

The Japanese invasion of Hainan comes as no surprise to the Chinese people, for they have read many Japanese writings in which Hainan is referred to as "a treasure island" and Japan's "third life-line." As in other instances, Japanese propagandists gave advance indication of a move by the Tokyo militarists. Japan wants Hainan, (1) as a base from which to intensify military operations in South China; (2) as a strategic point from which to challenge French Indo-China, Hongkong and Singapore; (3) as an essential link along the line of Japan's foreign trade; (4) as a naval base from which to challenge rival powers for hegemony in the Pacific.

SOME time ago, the Tokyo *Asahi Shimbun* indicated Japanese plans with regard to Hainan. First, it was proposed to send Japanese settlers there to establish Japanese influence with a view to ultimate alienation of the territory from China. It was also intended to forestall other Powers who might have designs on Hainan. Another feature of the plans called for pressure on the Chinese National Government, or the Provincial Government of Kwangtung, to recognize the island as having a "special position." Failing this, forcible occupation of the island was intended.

Well-informed sources in South China believe that in invading Hainan, Japan has been actuated by the following motives:

1. To create an international disturbance and thus divert the attention of Japan's rivals from the situation created by Japan's military campaign in China;
2. To influence some third power or powers to mediate in the Sino-Japanese conflict;
3. To threaten France's position in the Pacific.
4. To use the island as a base from which to attack Pakhoi in Kwangsi province.
5. To aid Italian schemings in Europe and the Mediterranean.
6. To spur the opposition of the "isolationists" in America to President Roosevelt's armaments program, with a view to bringing about its defeat in Congress, and to cause abandonment of the plan to fortify Guam.

According to a spokesman of the office of the Military Affairs Commission in Kweilin (Kwangsi), the *immediate* Japanese aims in occupying Hainan are as follows: (1) to secure a base of operations for an attack on French Indo-China in concert with Siam—the purpose being to annex the French colony; (2) to form a pincer with which to menace communications between Hongkong and Singapore; (3) to sever communications between Guam, the Philippine Islands and Singapore. Therefore, in the view of this spokesman, the Japanese invasion of Hainan is not just a simple invasion of additional Chinese territory, but is a direct challenge to Britain, France and the United States.

There can be no doubt that the Japanese landing on Hainan is the first step in a plan to facilitate military operations which it is intended to undertake in the provinces of Kwangsi and Yunnan. Since the fall of Canton last October, the Japanese invaders, despite bitter struggle, have been unable to make any headway in South China. Complete occupation of the Canton-Hankow Railway is still far from realization, and the advance in the direction of Kweilin has also been a failure. By seizing Hainan the invaders hope to be able to take Pakhoi, move on to Liuchow, and thus execute a flanking movement which will compel the Chinese forces to abandon Kweilin—in much the same way that the landing at Hangchow Bay forced the Chinese to retreat from Shanghai.

THE Japanese claim that large supplies of munitions are reaching China from the south, especially by way of the Burma-Yunnan highway. Now, apparently, they are going to bend their efforts to cutting the southern supply routes, hoping thus to paralyze Chinese resistance. Consequently we may predict that when occupation of Hainan is completed, there will be aerial bombardments of China's southern communications, just as the Kowloon-Canton-Hankow Railway has been bombed. Some Chinese circles expect that "unidentified bombers" may loose their destructive cargoes on French Kwangchowwan and Haiphong, and on British Rangoon, Hongkong and Singapore, partly in order to intimidate France and Britain, and partly in order to destroy alleged Chinese supplies gathered at those places. Having no respect for neutrals, the Island Empire may be expected to commit any acts which its government deems expedient.

Japan, moreover, is aware that other powers are fortifying their island possessions in the Pacific very rapidly. By taking Hainan, she has shown her determination to act before the others are ready. The Mukden Incident in 1931 was staged because Japan wanted to catch China unprepared, before unification. The invasion of Hainan has the same significance for Japan's rivals in the Pacific. She wants to be ahead of them.

It is significant that the time chosen for the seizure of Hainan coincides with efforts by the aggressor powers to convert the Anti-Comintern Pact into a military alliance. It also occurs while Europe faces new crises arising from Germanys' demand for the return of her former colonies and Italy's territorial claims on France. There is ground for the belief that Italian aggression against France was halted only by the sudden death of the Pope. However, it is certain the aggressors in the West and the aggressor in the East are coordinating their actions. Hainan is a signpost.

ANOTHER point to be noted is the fact that the Japanese landing on Hainan has taken place shortly after the United States, Britain and France lodged their protests with Japan against Nipponese plans for a "New Order" in East Asia. The Japanese, it seems, have paid not the slightest regard to these protests and the diplomatic actions of the Powers have proved a flat failure. The reason for this failure is not difficult to discern. "Protest diplomacy" of the democratic nations is no match for the firm, concerted *actions* of the Rome-Berlin-Tokyo axis. What is more, any action by a single state against a single aggressor is the equiva t of *no* action and calls forth only ironic jeers from len aggressors. the

That Japan has "gotten away" with her seizure of Hainan shows that real cooperation between Britain, the United States, France and the Soviet Union in world affairs is still quite distant. Chinese circles believe that Japan would never have dared fire the first shots at Changkufeng, had she not known beforehand that Britain

and France would yield to Hitler at Munich and leave the Soviet Union isolated. Similarly, Japan would not have dared to invade Hainan if she had not known that the democracies were preparing another retreat in the Spanish and Mediterranean problems. The aggressors act, not blindly, but with well-defined purposes. And they act in concert. Are the democratic states aware of this?

The invasion of Hainan by Japan has caused the Chinese to wonder whether the democratic states will realize their past errors and embark on wiser policies. Will the invasion prove a blessing in disguise, by leading to Anglo-American-French-Soviet cooperation in the international sphere? Further protests to Tokyo can only contribute further to making the democratic states a laughing-stock in the eyes of the aggressors.

Chungking, Feb. 14, 1939.

DOMEI SUGGESTS REUTER MAY HAVE FALSIFIED JAPAN'S CASUALTY FIGURES

In an editorial last week we drew attention to a marked discrepancy in figures of Japan's war casualties as announced in the Diet by War Minister Itagaki on Jan. 22. By *Domei* in Shanghai the figure attributed to the War Minister was 51,000 officers and men killed in China during 1938. A *Reuter* dispatch published in the *South China Morning Post* at Hongkong gave the figure as 510,000 for the entire period of the Sino-Japanese hostilities, which number, we suggested, appeared to be much closer to the actual truth. We asked whether *Domei* had not falsified the figure, either unintentionally or deliberately. Our query brought the following reply from the Japanese news agency:

The Editor, February 18, 1939
The China Weekly Review,
160, Ave. Edward VII,
Shanghai.

Dear Sir:

My attention has been drawn to an item appearing on Page 352 of the Feb. 18 issue of *The Review* (Vol. 87, No. 12) under the heading "Did Domei Falsify Statement of Japan's War Casualties?".

In this connection, I wish to refer you to the Jan. 22, 1939, issue of the *Japan Advertiser*, an American-owned and edited daily newspaper published in Tokyo. This journal quotes Lieut.-Gen. Seishiro Itagaki, War Minister, as stating that Japanese casualties numbered 51,000 (Fifty-one thousand).

In the item published by you, you state: "The *Reuter* version is much closer to the truth and the question arises whether *Domei* in Shanghai did not falsify the figure given by the War Minister in the Diet. At all events, the agency sent out no correction on the story and has not done so up to the present time."

Under these circumstances, I feel that it is "a technical slip" committed by *Reuters* in Hongkong or "a deliberate distortion" perpetrated by the agency in the British colony and not a mistake or a falsification by *Domei* in Shanghai as you imply in your story.

I would appreciate the publication of the above in lieu of the "correction" which you indicated was expected from us.

Thanking you for your courtesy, I am

Yours truly,
Y. Horiguchi,
Editor-in-chief,
The Domei News Agency,
Shanghai.

The above disclaimer by *Domei* suggests the desirability of an investigation by the *Reuter* agency into the accuracy of the report which it caused to be published in Hongkong. But even if the casualty figure given by War Minister Itagaki was correctly quoted by *Domei* as 51,000, that figure must represent—putting it mildly—a gross understatement. It is quite understandable that the War Minister should desire to conceal the cost to Japan of the China war in terms of man-power.

Was Miss (Spy) Kawashima Killed at Tientsin?

The *Shun Pao* reported on Feb. 13 that Miss Yoshimiko Kawashima, notorious Japanese woman spy, had succumbed to wounds inflicted by Chinese patriots some weeks ago. The Japanese military at the northern Chinese port had claimed previously that she had only been wounded and later was rescued and taken to a hospital. She was long noted as Japan's ablest woman spy.

"John of Arc of Jehol"

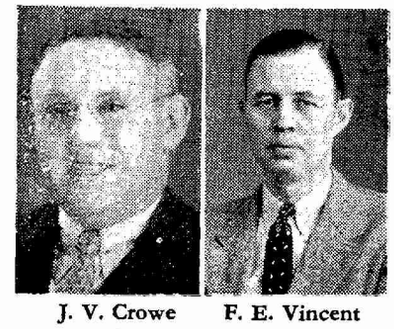
Dead, Miss Yoshimiko Kawashima, (left) killed at Tientsin?

A report from Chungking (*Time*, Jan. 16) said that Chinese secret-service operatives had trailed Miss Kawashima from Hongkong where she had been directing the activities of 370 Japanese spies scattered over South and Central China, to Tientsin, where she had been shot dead, early in January. Her father was Prince Su, a Manchu noble and courtier who fled to Japanese-leased Dairen after the collapse of the Manchu regime in Peiping in 1911. Her mother was a Japanese concubine. A Japanese family adopted her and gave her an education. According to the report in the American magazine, Miss Kawashima, who was fond of wearing men's clothes and men's sports, chose as her first victim, her husband, Prince Fan Chulchab of Outer Mongolia whose Soviet connections she had betrayed to officers of the Japanese Kwantung Army at Dairen. She was credited with playing a prominent part in the plot which induced Henry Pu-Yi to become Emperor Kang Teh of Manchukuo. She claimed that she wore a Japanese military uniform and fought alongside Japanese troops in the Jehol campaign. She allegedly was wounded in this campaign and later bestowed on herself the title, "Joan of Arc of Jehol."

U. S. Businessmen Depart on Trips to America

F. E. Vincent, manager of the American Foreign Insurance Association in China, and J. V. Crowe, manager of Ford Motor Company, Exports, Inc., departed this week for the United States. Mr. Vincent has been promoted to the position of inspector at the head office of his company in New York, and probably will not return to China. Mr. Crowe, who is in ill health, will return to China in the autumn following medical treatment.

Mr. Vincent was born at Jackson, Mississippi, where he attended school, and later resided at Lexington in the same state. He joined the Canadian forces in the World War and was sent to Siberia, prior to the arrival on that front of the U. S. Siberian Expedition. Later he was transferred from the Canadian contingent to the American forces and assigned to the American Red Cross staff. Following his return to the United States, he joined the American Foreign Insurance Association and was assigned to Shanghai. He was married in New York in 1932 to Miss Kathrine Cathran.



J. V. Crowe **F. E. Vincent**

Mr. Vincent was largely responsible for the upbuilding of the American Foreign Insurance Association in China. The organization was formed twenty years ago for the purpose of extending sound American insurance to capital and property outside the

United States. The company is said to represent the largest and strongest aggregation of property insurance companies in the world. The combined assets of the various groups approximate U. S. $925,000,000. Its activities extend to 115 different countries and areas.

The local insurance association gave Mr. Vincent a farewell dinner at the Shanghai Club last week and at the same time welcomed his successor, James Nichols, who was previously stationed in India.

J. V. Crowe, manager of the interests of Henry Ford in China, Philippines and French Indo-China, was born in Indiana and went to the Philippines in government service in 1911. He served as Captain in the U. S. Army in the World War, following which he became connected with the automobile industry in 1920. He has been with the Ford Company for fourteen years, nine of which he has served as manager in China, Indo-China and the Philippines. He has also had experience in Japan and Formosa. Mr. Crowe has largely been responsible for the extension of the interests of the Ford Company throughout China and has also assisted materially in the road construction program which has made it possible for motor cars and trucks to be operated throughout the country and as a result of the present military crisis, to Rangoon in Burma and to the U. S. S. R. through Sinkiang province. Like Mr. Vincent, Mr. Crowe has been active in the affairs of the community. Mr. and Mrs. Crowe plan to return to Shanghai in September.

Don Bate Was Paid by Japanese for U. S. Speeches

Don Bate, former Shanghai newspaperman, who has been delivering lectures in various parts of the United States on Far Eastern developments, has been on the payroll of the Japanese Chamber of Commerce of New York, according to a report in the Jan. 5 *Bulletin* issued by the China Information Service, published at 945 Pennsylvania Ave., Washington, D. C. Miss Helen M. Loomis is secretary of the organization. The report stated that Bate had been lecturing before distinguished audiences in the United States on Far Eastern problems, "under the guise of 100-percent Americanism." In his speeches Bate urged the withdrawal of American interests from the Far East as a means of avoiding any offense to Japan. Another popular lecture which he delivered was entitled, "Pulling Britain's Chestnuts from the Fire." Recently, following enforcement of the regulation compelling agents of foreign governments to register with the Department of State, Mr. Bate complied and admitted that he received payment "for occasional work by the Japanese Chamber of Commerce of New York."

Bate returned to the Far East last summer and after an extensive trip through Manchuria and North China as a guest of the South Manchuria Railway, came to Shanghai and issued an interview which aroused general suspicion as to his "neutral" attitude with regard to the Sino-Japanese issue.

United China Unconquerable, Chiang Tells Council

A united China can never be conquered. It is on the firm unity of the Chinese nation that he bases his confidence in the ultimate success of China's present campaign of resistance against the Japanese invasion.

This emphatic statement was made by Generalissimo Chiang Kai-shek in his speech at the opening of the third plenary meeting of the People's Political Council, of which General Chiang is concurrently president.

Appealing for further consolidation of national unity, General Chiang, referring to the fall of the Sung and Ming Dynasties, said that the chief cause for the collapse of the two dynasties lay in the selfishness and disunion of the courtiers, who held the reins of government.

The most remarkable feature of China today, General Chiang pointed out, is the spirit of cooperation and unity which has manifested itself since the outbreak of the current hostilities. As long as China retains this spirit and remains united in coping with the national crisis, General Chiang confidently declared, no invaders, however powerful, can ever conquer the country.

General Chiang's speech created a profound impression on his audience and was heartily applauded.

The current session of the People's Political Council, which opened last week, was attended by over 100 members and more than 60 ranking officials of the government. The Council was formerly headed by Wang Ching-wei, who had been dismissed from the post because of his flight from Chungking and his subsequent peace movement.

New Life Movement

What the New Life Movement meant for China in the present national crisis was expounded by General Chiang Kai-shek in a radio address broadcast on the occasion of the 5th anniversary of the launching of the movement. General Chiang initiated the movement five years ago in order to prepare the people for the grave national emergency which was looming ahead. General Chiang's foresight appears to have been richly rewarded, judging by what the officials of the movement have accomplished during the past year and a half of hostilities.

In the past 18 months, General Chiang pointed out, important projects of war relief had been carried out under the auspices of the General Association for the Promotion of the New Life Movement. The Association was responsible for organizing war-zone service corps for the care of wounded soldiers and the comfort of officials and soldiers at the front. A thrift movement was also started with a view to consolidating the economic situation in the rear, while students were organized into rural service corps during the summer vacation.

What is more important than the services rendered by the Association is that the life of the people, which has undergone a vital change since the outbreak of the hostilities, has been regulated in conformity with the principles of the New Life Movement.

In this connection, it is interesting to note the new interpretation given by General Chiang to the four cardinal principles of the movement—namely, *Li* (propriety), *I* (righteousness), *Lien* (honesty) and *Chih* (honor)—in the light of the campaign of resistance.

In time of war, General Chiang said, the virture of propriety should mean strict observance of discipline. The laws of the state and the special war-time rules and regulations of the Government must be strictly observed.

Righteousness should mean sacrifice of the individual for the welfare of the state. The armed men should be ready to lay down their lives on the battlefield, while the people in the rear should contribute their wealth to the government to strengthen the country's power of resistance.

Honesty should mean the protection of material resources of the country. The policy of retrenchment should be strictly practised, with a view to saving funds of the Government.

Honor should mean bravery in participating in the national struggle against alien invasion. Only those who have the courage to fight for their country can lay claim to the virtue of honor.

General Chiang expressed the belief that only by observing the New Life principles, can the Chinese people manifest their national spirit and create a new life for their country.

The question of promoting political work in the war zones was the chief topic of discussion at an important conference recently held at Chungking, attended by the directors of the Political Affairs Departments attached to the various Army Headquarters and presided over by Gen. Chen Cheng, director of the Political Affairs Department of the Generalissimo's headquarters. Many resolutions relating to political training, mass organization and publicity work were adopted at the meeting.

Traitors to the country are given their last chance to repent, according to an order issued by the Military Affairs Commission. The order specially warns all persons connected with the Nanking and Peiping regimes. All Chinese who fail to take advantage of the warning and continue to serve as tools of the enemy will be ruthlessly punished according to the Law Governing the Punishment of Traitors.

Characterizing it as a flagrant violation of international law and a grave breach of good faith, a spokesman of the Foreign Office at Chungking vigorously denounced Tokyo's action in permitting the illegal occupation of the Chinese Embassy by agents of the puppet Peiping and Nanking regimes.

The spokesman recalled that, before his return to China last year, Hsu Shih-ying, Chinese ambassador at Tokyo, had formally requested the Japanese authorities to take care of the Embassy. This request was accepted by the Japanese Foreign Office, which sent representatives to make an inventory of the Embassy property and seal up the premises. The Chinese authorities also met the financial demands of the Japanese authorities for the purpose of safeguarding the Embassy property. Furthermore, a pledge of due protection to the Embassy was given by the then Japanese vice-minister of foreign affairs, Mr. Horiuchi.

Now that agents of the puppet regimes in Nanking and Peiping have occupied the Embassy, the spokesman stated, the Japanese government is guilty of violation of international law as well as breach of good faith, and must be held responsible for any losses or damage that may be caused to the Embassy property.

Adding to his manifold duties as Japanese premier, the aged Baron K. Hiranuma has taken on himself the rather difficult task of protecting Chinese puppets in Japanese-occupied areas. Answering an inquiry in the House of Peers, Premier Hiranuma announced that he would be responsible for a "movement to protect and support the new China regimes."

Apparently with the object of tightening its control in China and helping Baron Hiranuma to implement his promises, the Asia Development Board announced that liaison departments of the board would be set up on March 1 in five Chinese cities, including Peking, Shanghai, Tientsin, Houho (Suiyuan) and Amoy. Agencies will also be established in Kaifeng, Changteh, Taiyuan, Nanking and Hankow. Maj.-Gen.

(*Continued on page 399*)

Terrorist Killings Cause Japanese Threats to International Settlement

REPRESENTATIONS MADE TO S.M.C.

A request for the assent of the Shanghai Municipal Council to certain "effective measures" for coping with the current wave of terroristic killings was submitted to C. S. Franklin, chairman of the Council, on Wednesday afternoon by Japanese military, naval and consular authorities. What the proposed measures are was not disclosed, but according to a *Domei* dispatch from Tokyo, quoting the *Asahi Shimbun*, Hachiro Arita, Japanese foreign minister, has instructed local Japanese officials to demand (1) the prompt arrest of the terrorists, (2) an increase of Japanese members on the S.M.C., and (3) fundamental reorganization of the Shanghai Municipal Police.

CONTINUING their death-dealing campaign against Chinese belonging to or serving the Japanese puppet administrations, patriotic terrorists, styling themselves members of the "Chinese Youths' Iron and Blood Army," shot and killed Chen Lo, minister of foreign affairs in the Japanese-sponsored "Reformed Government" of Nanking, last Sunday evening at 7 o'clock as he sat at dinner with his family in his home at House 25, Passage 668, Yu Yuen Road, in Shanghai.

The killing took place 27 hours after the puppet minister, escorted by 12 bodyguards, had travelled from Nanking to Shanghai to spend the Chinese New Year with his family. Fifteen men, many of them armed with Mauser pistols, rushed into the house, overpowered the only guard present at the time, and proceeded to the dining room where the Chen family was in the midst of dinner, with Chen himself at the head of the table. The attackers fired several shots, killing Chen instantly. They then departed, taking the disarmed bodyguard with them.

Japanese military authorities undertook an investigation, since the shooting took place outside the Settlement boundary.

Coming as a climax to no fewer than 18 political murders or attempted murders which had already taken place in Shanghai since the beginning of this year, in which all the victims or intended victims were in some way linked with Japanese authorities or interests, the assassination of Chen Lo has caused a furore of excitement. Fuel had already been added to the fires of Japanese indignation when on Nanking Road, a few hours before the killing of Chen Lo, an unidentified gunman fired at a party of four Japanese who had just stepped into a taxi after lunching at a Chinese restaurant, wounding three and a Chinese beggar in addition. In the party were Jiichi Koyanagi, Japanese army photographer, and a Japanese taxi-dancer, Miss Masako Morika. The assailant, as in all the other recent cases of terrorism, managed to escape.

Although the Japanese authorities chose to assume, without positive knowledge, that the shooting was "political," an unnamed high official of the Shanghai Municipal Police told the *North-China Daily News* that this was definitely not the case. The chauffeur of the taxi in which the Japanese victims of the shooting were about to ride is understood to have told the police that he thought the gunmen was either a Japanese or a Korean. This led to the belief that the gunman may have been a jealous admirer of the taxi-dancer in the case.

Hold S.M.C. Responsible

Responsibility for "these political outrages" should be borne by the Shanghai Municipal Council, Yoshiaki Miura, Japanese consul-general, told C. S. Franklin, chairman of the Council, in an interview last Monday, according to *Domei*. Filing verbal representations on the subject, and reserving the right to make protests in writing, Mr. Miura told the Council chairman that "deep concern" was felt by the Japanese authorities over the situation in Shanghai.

Regarding the attack on the four Japanese subjects on Nanking Road, the local Japanese military spokesman similarly expressed "grave concern" and said that the wounding of a woman had, in particular, aroused intense indignation. "Investigations conducted by our military police definitely indicate that the attack was of a political character," the spokesman said, repudiating any suggestion that the attack was motivated by personal jealousy over the Japanese taxi-dancer who was among the victims of the attack.

According to the Tokyo *Asahi Shimbun*, a Japanese army conference in Shanghai decided to employ force, if necessary, in order "to purge the International Settlement of anti-Japanese terrorists."

A spokesman for the Japanese military forces in Central China, according to a *Domei* message from Nanking, declared that it was "extremely regrettable that terrorist acts have occurred repeatedly in the International Settlement and French Concession in Shanghai, in striking contrast with the peaceful conditions which are being maintained in Japanese-occupied zones.

"The Japanese military authorities," he continued, "have manifested a calm and restrained attitude toward the Settlement and Concession authorities to avoid international complications which might be caused by the Kuomintang regime in an effort to take advantage of a delicate situation. This fact and the repeated terroristic acts should make the authorities of the Settlement and Concession keenly aware of the gravity of their responsibilities. The terroristic acts are symptoms of the decadence of the Gen. Chiang Kai-shek regime. The recent recurrence of the crimes, especially the fate that befell Mr. Chen Lo, are matters which are causing grave concern among the authorities of the Japanese Expeditionary Force to Central China."

"In view of the gravity and seriousness of the situation in Shanghai, we are anxious to know why the government relies upon the authorities of the International Settlement and the French Concession to maintain peace and order, a task which they have shown themselves unable to accomplish," a spokesman for the Minseito party said in the Diet last Tuesday, adding the view that "Japan should resort to force since no reliance can be placed upon the efforts of the foreign authorities."

In reply, Premier Baron Hiranuma told the Diet that the frequency of terroristic demonstrations in the International Settlement, which had hitherto been considered as a "safety zone," had begun to give the impression that it was nothing more than a "base for terroristic activities of lawless elements."

Such being the case, the Premier declared, the problem of measures for the insurance of peace and order in China must be fundamentally reconsidered.

"We cannot overlook secret activities," the premier continued, "carried on in the International Settlement by the Chiang regime, and the Communist Party.

A Veiled Threat

"Our Government has sent instructions to the authorities on the spot to take appropriate and effective measures. As for the right of self-defence, nothing can prevent its exercise."

The Foreign Minister, Hachiro Arita, declared that the government had "hitherto watched with deep attention the development of the situation in the International Settlement."

The Navy Minister, Admiral Mitsumasa Yonai, stated that there was urgent necessity to effect a radical improvement in the preservation of peace in the International Settlement in the future. "I am desirous," he declared, "of taking most effective measures for that purpose."

Admiral Yonai gave it as his opinion that the Shanghai Municipal Council "show a lack of sincerity, and if matters are allowed to continue like this, I am convinced of the necessity of taking effective measures for self-defence."

This theme was taken up in local Japanese circles which, according to *Domei*, are "boiling with indignation" over the activities of the terrorists. The *Tairiku Shimpo* declared "things have come to such a pass that thousands of protests and statements would be wholly useless. The fact that the terrorist crimes are committeed in daylight on Nanking Road shows the incompetence or the intentional indifference of the Shanghai Municipal Police.

Ignoring the fact that the shooting of Chen Lo occurred outside the limits of Settlement territory and actually in Japanese-occupied territory, the paper said opinion was growing in Reformed Government circles "to demand the withdrawal of British troops from the British defense sector." The paper charged British army authorities with trying to "evade responsibility for the act by refusing to recognize the Reformed Government, and by declaring that they were not informed of Mr. Chen's arrival in Shanghai."

Independent Action Hinted

Reference was made by the paper to an agreement between Major F. W. Gerrard, Commissioner of the Shanghai Municipal Police, and Col. Sanataka Kusumoto, chief of the Japanese Army Special Service Section, concerning the Nanking Road "incident" of Jan. 3, 1938. "This agreement," the paper said, "entitled the Japanese military authorities to resort to "independent action in case of a recurrence of similar incidents" and should now be enforced. The journal, in another editorial, asserted that Japan's refusal to reopen the Yangtsze to commercial navigation was fully justified in view of the wave of terrorism in Shanghai, since this "metropolis of the Yangtsze estuary is infested by gangs of Kuomintang assassins and terrorists."

If Japanese authorities remain irresolute in dealing with Concession and Settlement authorities in connection with the recurrence of terrorism here, patriotic Japanese should be banded together and march across Soochow Creek under a banner of "patriotism unto death," a Japanese contributor to the *Tairiku Shimpo* declared in a featured article.

The Japanese Journalists' Association in Shanghai demanded "drastic measures" in dealing with the Shanghai Municipal Council in a resolution passed at an emergency meeting Tuesday morning. The resolution called upon the Japanese authorities "to abandon their forbearance and execute a complete reform of the International Settlement by speedily adopting drastic

(*Continued on page 399*)

Japan Plans to Cut Chekiang-Kiangsi Railway, Launch Attack on Nanchang

HAINAN, CHINA'S TREASURE ISLAND

Japan, claiming that the occupation of Hainan Island was nothing but a military measure designed to strengthen the blockade of the China coast against Chinese shipping, will nip off 14,500 square miles of good earth, having five hundred miles of coast with excellent harbors and a population of two and half millions.

This "South of the Sea Island" that has fallen into Japanese hands is rich in natural resources. According to a reliable Chinese geological survey, Hainan has underground a great variety of mineral resources from tin to gold. Like other tropical islands, it abounds in flora of good commercial value. They include trees for building and furniture materials, such as mahogany and rosewood, precious species of fragrant wood, medicinal plants known as galangal and huo shiang, and rattan for furniture.

Tropical fruits of great diversity are found in Hainan: coconut, the jack fruit, the break fruit, papayas, the custard apple, dates, oranges, mangoes, pineapples and bananas. Raw materials of universal demand such as jute, hemp, rubber and sugar cane are much produced. Rich plantations are par excellence, and usually two or three crops are harvested yearly. Hainan is also well-known for its livestock and poultry which are largely exported to the mainland.

Japanese occupation of Hainan has robbed China of the last of her chief salt producing centers, the other two being in Shantung and Anhui. The main articles of Hainan's export are pigs, poultry, eggs, cattle, sugar, coconut, hemp, sesamum seeds, hides, timber, rubber, jute, pineapple and oranges. With its fertile soil and tropical climate, the island is specially suitable for the raising of coffee, jute and in particular rubber. The hilly regions can profitably be put under timber, and the extensive pastures are ideal for the raising of live stock, poultry and dairy farming.

EVENTS on widely-separated sectors of the China war front, notably the extension of the Japanese invasion of Hainan Island in the south, Japanese naval activity off the coast of Chekiang, the insistent Japanese demand for evacuation of foreign residents from the Kiangsi mountain resort at Kuling, and finally the reported withdrawal of Japanese troops from northeastern Hupeh in the central Yangtsze region, appeared this week as a series of coordinated moves in a plan of campaign having as its immediate objectives the severance of the Chekiang-Kiangsi Railway and occupation of Nanchang, capital of Kiangsi province.

According to *Domei* dispatches, the Japanese advance in Hainan Island is proceeding practically uhindered. Chinese dispatches, on the other hand, claimed that the invaders were meeting stiff resistance from China troops and militia in the hilly regions near Kiungchow. *Kuo Min* claimed that more than 2,000 Japanese troops were killed Feb. 17 when Chinese forces counter-attacked in Tingan, south of Kiungchow, in the northern part of the island. Chinese military dispatches revealed that Japanese aircraft were engaged in extensive bombing of cities in all parts of the island, including Wenchang, Tingan, Chinchiang, Yaihsien, Linshui and Tengchiao.

Commenting last week on the invasion of Hainan, the Tokyo *Asahi Shimbun* said Japan should occupy the whole of southwestern China so long as Britain and France continue to assist the Kuomintang regime. "If Britain and France are desirous of restoring the status quo on Hainan," the paper said, "they should stop their machinations in Burma and Annam and cease assisting the Chiang Kai-shek regime."

Assurances that Japan has no territorial designs upon Hainan were conveyed last week-end to the United States through Joseph C. Grew, American ambassador in Tokyo. According to a *Transocean* message from Tokyo, however, the Japanese press reported plans to convert the port of Yulin, on the southern coast of Hainan, into a naval base. The outer roadstead would be used as an anchorage for 10,000-ton warcraft, while vessels of 3,000 tons would be provided for in the inner harbor. It was also stated that a large airdrome is to be built somewhere on the northern coast of the island as a base for extended operations in South China.

While on Feb. 16 a *Domei* report from Hanoi, quoting the French Indo-China press, declared that the French Indo-China border "will be flung open to China at any moment and all the restrictions placed upon the transportation of arms and ammunition into China will be removed" as a measure of reprisal against the Japanese for occupying Hainan, Vice-Admiral Nobutake Kondo, commander-in-chief of the Japanese South China Fleet issued a statement in which he described Japanese seizure of the island as "a serious threat to the southwestern route by which arms are being supplied to the Chiang Kai-shek regime."

Anticipating more frequent air attacks because of the Japanese occupation of Hainan, Chinese authorities in Yunnan and Kwangsi are attempting to increase air raid defenses in the southwest, according to *Domei*. The same agency reported that the French are about to build the largest air base in their Indo-China colony at Tourane, important naval port in central Annam.

Gen. Chiang Kai-shek, according to *Kuo Min*, has ordered General Wang Yi, Hainan garrison commander, to defend the island "to the last man." General Wang, the agency said, has assumed full command over all military and militia on the island and these forces have taken an oath "to live or die with the island."

American interests predominate over all other foreign interests in Hainan, but are limited to commerce, a *Domei* report from Tokyo said on Feb. 20. American residents in the island number 45. Oil for motor buses, which provide the only means of communication on the island, is being supplied by the Standard Oil Company, an American concern, according to the report. The United States also leads foreign Powers in cultural undertakings on the island. The Gospel Hospital at Hoihow, managed by Dr. Nathaniel Bercovitz, an American, is the largest on the island. It is equipped with all modern facilities. Its out-patients total 150 daily while the inpatients average 20,000 a year, with about 850 maternity cases during the period.

The Leper Asylum at Sinying, six miles west of Hoihow, also is managed by Americans and has 250 beds, the dispatch continued.

Dr. Bercovitz has already placed the results of his years of research work regarding tropical diseases and epidemics on the island at the disposal of the Japanese military health authorities, the report said.

British, French Interests

Britain formerly kept a consulate at Hoihow which, however, was closed in 1926 as a result of an anti-British movement, though agencies of the Asiatic Petroleum Company and Butterfield and Swire still are being maintained at Hoihow, according to the dispatch.

The message recalled that in 1897 France concluded an agreement with China for the non-cession of Hainan Island. The following year she attempted to establish a naval base at Yulin, but failed. French economic interests on the island are represented by two or three French traders who conduct only limited transactions, the message said. There is a French Consulate in Hoihow, but the regular steamship line between Hainan and French Indo-China was suspended a few years ago. There is one Catholic Church, one monastery and two hospitals, but the latter are far smaller than the American-managed Gospel Hospital, the message said. Generally speaking, foreign interests in Hainan Island are small, while natural resources of the island have been but little developed, the report concluded.

Signor Giuseppe Ros, Italian Consul at Canton, who has been in China for 31 years, has offered Japanese authorities in Canton to place at the disposal of Japanese scientists his collection of literature and specimens of natural history of Hainan Island. The collection fills two rooms in his residence, said another *Domei* report.

Japanese troops were landed Feb. 17 at Namtau, south of Po-on, and near the British Kowloon border, according to a *Kuo Min* dispatch. The news of the Japanese occupation of Namtau caused the people at Shumchun, on the Kwangtung-Kowloon border, to seek refuge again in the adjacent British territory.

Navy Action Off Haimen

While in South China Japanese strategy appears to be directed to accelerating the military push inland through Kwangtung in order to place the army astride the almost-completed railway which runs from Lungchow on the French Indo-China border through Kwangsi to Kweilin, and thence north to connect with the Chekiang-Kiangsi Railway, current Japanese naval movements near Taichow Bay, Chekiang, with the port of Haimen as the principal center of interest, are believed the prelude to attempts to cut the Chekiang-Kiangsi Railway.

The Chekiang-Kiangsi Railway commences at Siashan on the Chientang River, southeast of Hangchow, runs to Kinhua in central and Kiangshan in western Chekiang, thence to Yushan in Kiangsi, thence to

Nanchang, Changsha and Hengyang. From Hengyang a branch line runs clear down to Kweilin in Kwangsi province. If the Japanese strategy proceeds according to plan, this railroad chain would be severed in both Kwangsi and in Chekiang, and from Chekiang Japanese forces might be able to execute a flanking movement against Nanchang, the Kiangsi capital, while land and naval forces attacked the city from the direction of the Yangtsze.

Toward the end of last week, the Japanese authorities announced the institution of a blockade of the Chekiang coast in the neighborhood of Taichow Bay. Chungking reports said that some ten Japanese warships and transport vessels were concentrated off Haimen and had penetrated the harbor boom. A landing was believed imminent. Last Sunday, the warships exchanged fire with Chinese shore batteries off Haimen. A small Japanese landing party attempted to get ashore, but withdrew under heavy fire, Chungking dispatches said. Japanese naval authorities in Shanghai warned foreign shipping to keep clear of the new zone of naval action, which was stated to be the whole sea area within a 30-mile radius of Taichow Bay.

On Feb. 16, according to *Domei*, a Japanese naval air squadron raided Kinhua on the Chekiang-Kiangsi Railway, demolished station buildings and tracks at several places and set fire to a warehouse.

Presaging the more extensive naval activity now apparently in progress, three Japanese gunboats arrived at Tinghai, in the Chusan archipelago, off the coast of Chekiang, on Feb. 5 and opened fire at two large temples. According to a correspondent of the *Review*, two Buddhist monks were killed and one old man seriously wounded. Both temples were badly damaged and seven houses completely destroyed. No landing was attempted, but the warships lowered motor launches which cruised close to shore and directed machine-gun fire at everything in sight. No shooting was heard in reply. Shops and schools closed and most of the inhabitants evacuated the city until the following day, when the warships withdrew.

Nanchang Attack Coming?

Reports of preparations for a Japanese attack on Nanchang, capital of Kiangsi, were current in Shanghai this week. In this connection, movements of Japanese troops in Central China were regarded as significant. According to a *Reuter* dispatch from Chungking on Feb. 20, many cities along the Yangtsze between Nanking and Hankow have been abandoned by the Japanese, with the result that Huangmei, in east Hupeh, and Hukuo in Kiangsi (below Kiukiang) are now once more under Chinese control. The entire area in northeastern Hupeh, east of the Peiping-Hankow Railway, is reported to have been evacuated by the Japanese. Chungking estimates place the present strength of Japanese forces in the Yangtsze Valley at less than 200,000 men. Where the troops withdrawn have been sent is not known, but in some quarters it is considered likely that they are being concentrated for an attack on Nanchang.

The demand of the Japanese for the evacuation of all foreign nationals from Kuling, the Kiangsi mountain resort, is reported to be closely tied in with Japanese plans for an attack on Nanchang, the Japanese army desiring to have the fullest freedom for large-scale operations. Forty-seven of the 65 persons living at the mountain resort evacuated on Wednesday of this week, being escorted down Lushan Mountain by British and American naval officers. The intentions of the other 18 are not known.

Replying to interpellations in the House of Peers Feb. 17, Navy Minister Admiral Mitsumasa Yonai declared that navigation on the Yangtsze River would have to be restricted even if the river were opened to general traffic. "The Yangtsze River of China is not the common property of foreign Powers," the minister said. "To state the case more fully, foreign powers enjoy the right of navigation on the Yangtsze River which, however, is not an international river as stipulated by international law.

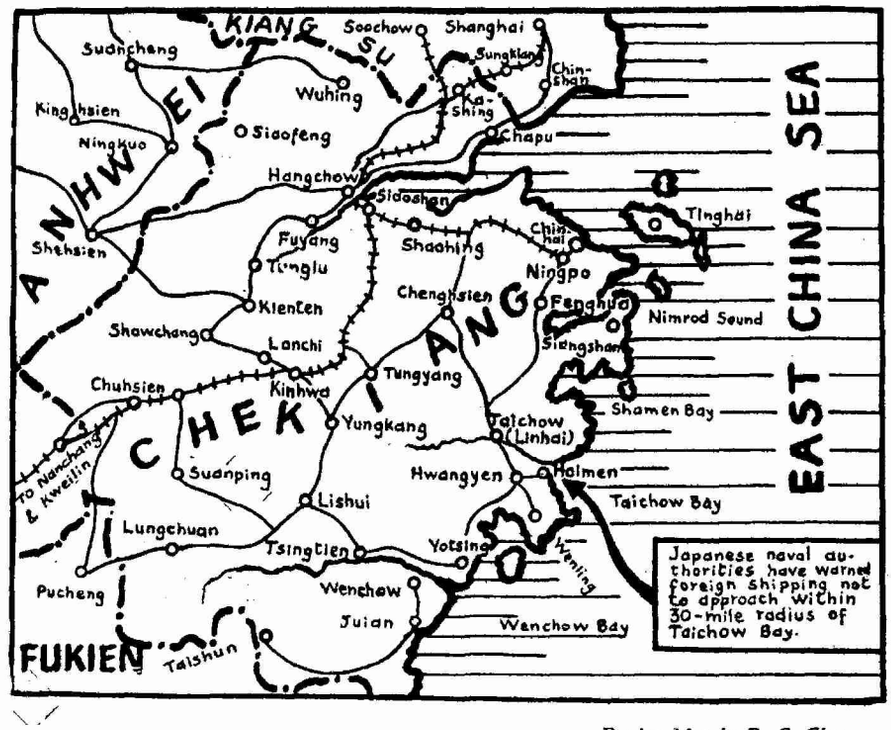
"Japan now is in a virtual state of war with the regime of Gen. Chiang Kai-shek in China. Besides the Yangtsze River forms a strategic artery; therefore, if strategic necessity dictates, there is no need for Japan to hesitate in closing the river. Should Japan close the Yangtsze for military necessity, foreign Powers would have no grounds to take exception thereto. Only when the requirements of military necessity have been modified can the opening of the Yangtsze River be considered.

"Considered from the economic viewpoint, the Yangtsze forms the economic artery of China; consequently its opening certainly would be a great contribution to the amelioration of Chinese economic conditions and also the construction of a new order in East Asia.

"The earlier the Yangtsze can be opened the more benefits will the Chinese people receive; but Japan's purpose would be defeated if the Yangtsze were opened for the sake of the Chinese people and utilized by the Chiang Kai-shek regime."

Japanese naval spokesman in Shanghai announced. Foreign shipping has been warned by Japan to avoid navigating within a 30-mile radius of Taichow Bay, where the entrance to Haimen harbor is located. Haimen was shelled by Japanese warships last Monday morning, according to a *Kuo Min* report from Kinhua.

Scene of Japanese Naval Activity



Review Map by P. C. Chen

Population Flees Chekiang Coast

Fearing the Japanese navy may make a surprise landing at a point on the Chekiang coast, Chinese troops have ordered the populace to evacuate the coastal cities of the province, according to a Chinese report quoted by *Domei*. Many refugees, the report said, have gone to Wenchow or Ningpo hoping to secure ship passage to Shanghai. By sinking a boom consisting of ships and other materials, the Japanese navy closed the port of Haimen, half way between Ningpo and Wenchow, last Sunday, a

British Make Protest On Kowloon Bombing

MAJOR-General A. E. Grasset, General Officer Commanding British forces in China, filed oral representations on Feb. 21 with Mr. Ichiro Ohta, acting Japanese consul-general in Hongkong, over the bombing of British territory which reportedly occurred at about 9.30 o'clock on the morning of Feb. 21 during an attack on Shumchun, Chinese border town near the Kowloon Leased Territory.

One Indian constable and 10 Chinese were killed by the explosion of six bombs that fell in British territory. Nine Japanese planes rained about 70 bombs in a period of 40 minutes, according to a *Domei* dispatch from Hongkong, demolishing the Shumchun railway station and a radio station, while a huge conflagration swept the town soon after the raid. Ninety-eight persons were known to have been killed and 120 wounded.

Following this attack, *Domei* said, the Japanese machines were alleged to have crossed the Sino-British border and machine-gunned a train proceeding north from Fengling in the vicinity of Luwo. A bomb was also reported to have been dropped by the Japanese aircraft.

The exact frontier line near the scene of the bombing has been the subject of controversy, for while the British authorities claim that it is west of the Shumchun River, Chinese have contended that it is east of the river. According to the British argument, the steel bridge spanning the river would be within British territory.

Japan has made an apology to Britain over the bombing of British territory.

Optimism Found in China's Provisional Capital

BY GERALD L. G. SAMSON

AFTER the fall of Canton and Wuhan, is China really in a position to carry on long-term resistance against Japanese aggression, and is the National Government fully resolved to execute such a policy? These two questions have aroused much speculation the world over.

Having just concluded an eleven-day visit to Chungking, China's war-time capital (the climax of a 1,400 mile journey through Free China), during which I had long and frank discussions with nearly all the National Government leaders as well as numerous unofficial personages and impartial observers well qualified to size up the political and economic situation, I do not hesitate to state that under prevailing conditions both questions may confidently be answered in the affirmative.

The general tenor of the replies I received to a series of leading questions I had prepared en route is in large measure responsible for the opinion expressed above. And since these questions are all of special interest at this time, I shall devote this article almost entirely to them.

Question: Has China's united front been broken by Wang Ching-wei's recent peace pronouncements in Hongkong?

Answer: Emphatically not! On the contrary they have stiffened China's determination to continue long-term resistance indefinitely. "Wang Ching-wei's peace policy has alienated him from the confidence and respect of the Chinese people at home and abroad," commented Foreign Minister Wang Chung-hui—and I found no one who disagreed with him.

No Thought of Peace

The most decisive reply, however, came from the China's first lady, Madame Chiang Kai-shek, (who answered many of the questions I had originally intended to put to the Generalissimo personally, had he not been forced to cancel all outside engagements because of the Kuomintang National Congress being in session): "With the blood of our fellow-countrymen not yet dry on Japanese hands, how can we think of peace?"

Question: Is the Kuomintang completely in favor of continued cooperation with the Chinese Communist Party?

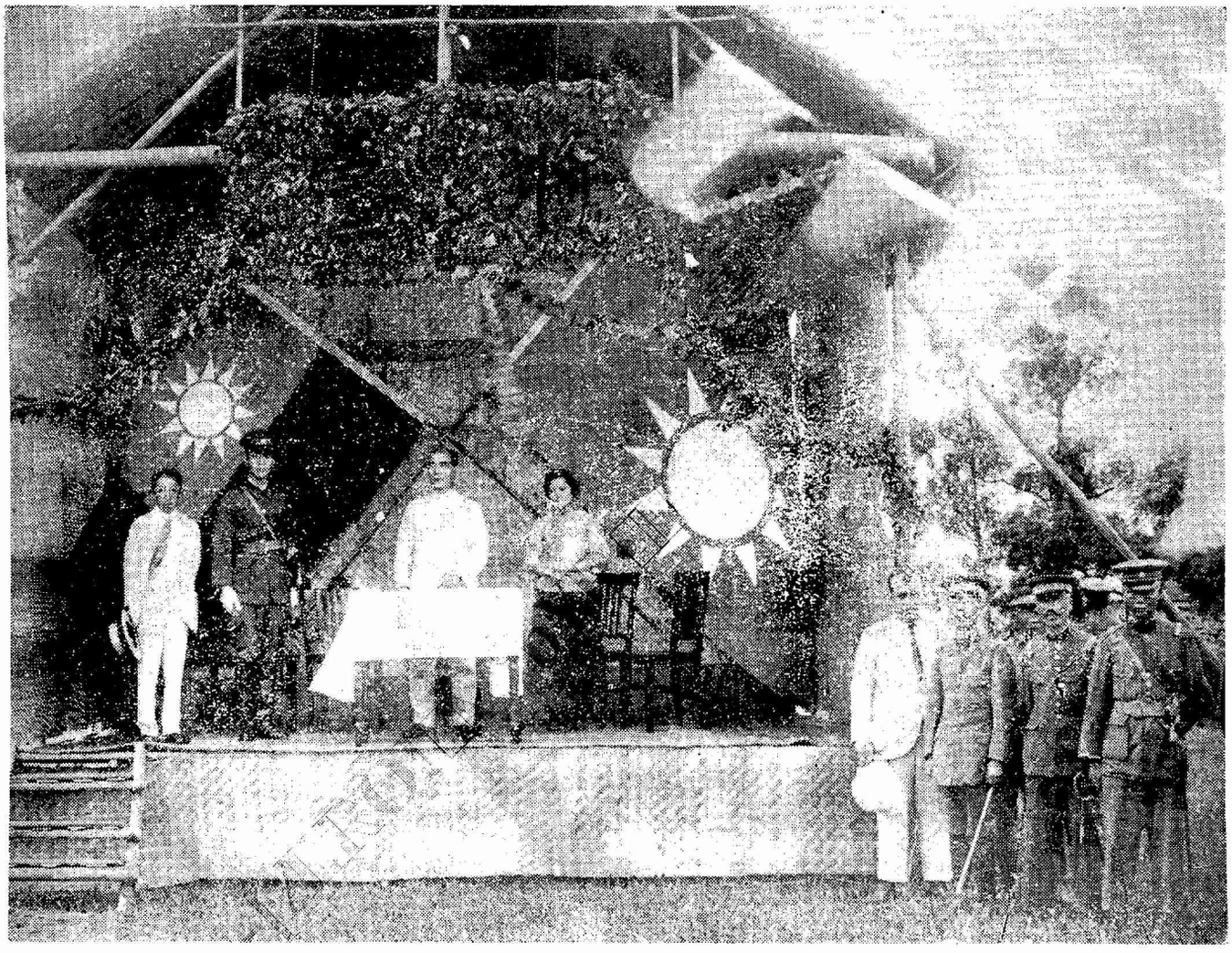
Answer: Yes. Ever since the Sian incident there has been no fundamental difference of opinion between the Kuomintang and Communist parties. And today more than ever, they are united by a common resolve to defend China's national independence.

It was for the express purpose of consolidating the unity of all national forces and insuring full discussion and deliberation of all national policies before a decision is taken, that at the Emergency Session of the Kuomintang National Congress held in March, 1938, the People's Political Council was established. Representatives of all parties and leaders from various walks of life being included—a confirmation of the right of every citizen to hold his own political opinion.

The above points were particularly endorsed by Finance Minister Dr. H. H. Kung, on the one hand, and one of the Communist leaders, General Chou En-lai, who is vice-director of the Political Affairs Bureau of the Military Affairs Commission, on the other.

Question: Does China's national economy, taking into specific consideration her limited and restricted lines of communica-

Turning Back the Pages of China's Troubled History



Fifteen years ago, the Kuomintang government, established in Canton, was preparing to reach out for dominance over all of China's vast domain. This picture, the exact date of which cannot now be established, was taken in the southern metropolis sometime during the years 1924-25. On the raised platform, at the center, in the white suit, is the late Dr. Sun Yat-sen, founder of the Kuomintang. At his left is his wife, Soong Ching-ling (Madame Sun Yat-sen) who is now living in Hongkong. To his right, in the military uniform, stands General Chiang Kai-shek, then director of the Whampoa Military Academy, who was destined to lead the revolutionary armies which in 1926-27 established the sway of the Kuomintang throughout the country.

tion with the outside world, permit of long-term resistance?

Answer: Yes. With a vast territory, wealthy natural resources and immense man-power, it is comparatively simple to carry on long-term resistance.

China has plenty of food and it is cheap. During the last two years the crops have been exceedingly good—not only enough to meet the country's requirements, but sufficient to store away for a rainy day. As regards clothing, China is equally self-supporting.

New economic centers, manufacturing and mining, have sprung up and are being actively developed in the provinces of Shensi, Szechwan, Kweichow and Yunnan. And in this connection the fast strides made by China's industrial cooperatives, which are scarcely a year old, deserve special mention.

Transportation Problem

The vital problem of transportation is likewise being tackled with a will. In addition to the construction of the Haiphong-Nanning-Kweilin railway which I reported in my last article, work has already begun on lines which will eventually connect Chungking with Chengtu (provincial capital of Szechwan), Kunming (provincial capital of Yunnan) with Suifu (in south Szechwan), and Kunming with Lashio, the terminus of the Rangoon-Lashio Railway. And when another projected line connecting Suifu with Neikiang, a point approximately half-way between Chungking and Chengtu has been completed, Szechwan will be in direct overland communication with Rangoon. Although this is by no means an immediate prospect, since many of these lines will take years to build, it is nevertheless a revolutionary step forward in China's march of progress.

The building of new highways is also proceeding apace. Some fourteen to fifteen hundred miles are at present under construction in the hinterland northward and westward behind the front.

Militarily, China has on hand sufficient supplies to tide her over for some time to come. Exactly how much, and how long they are likely to last, is a military secret. (But we do know that the strategic withdrawal from Wuhan was accomplished with little loss of mechanical equipment, and that no important quantity of arms and ammunition fell into enemy hands.) Furthermore, the highly mobile guerrilla tactics now being adopted cut down the army's requirements to small arms and ammunition. These are being manufactured in arsenals which have been erected in the interior. Airplane factories are also in existence. In addition to which, supplies of small arms and munitions, as well as aircraft, are continually reaching military headquarters from the outside world.

China's Military Tactics

Question: Why do the Chinese forces not launch an immediate offensive against a tired Japanese Army which is apparently digging in while waiting for reinforcements and fresh supplies?

Answer: The most illuminating was given by General Chou En-lai, who explained that the war may be divided into three phases. The first, that of "advance and retreat." The second, that of "see-saw warfare" (trying to hold positions and counter attacking) and guerrilla tactics behind the enemy's lines. And the present or third stage, that of guerrilla warfare on a national scale, together with the reorganisation and the strengthening of the forces in the rear. The latter being the main reason why no spectacular war news is available on the Chinese side.

Frontal attacks are not only costly but seldom effective against an enemy with preponderantly strong armaments. Whilst the new guerrilla tactics, which are infinitely better suited to the national economy, are calculated seriously to harass the Japanese army's long lines of communication, making it obligatory for it to station large and expensive garrisons in the occupied areas; and finally to wear it down long before the Chinese forces are ready to give up the struggle.

Question: What is the Chinese Government's reaction to the recent notes presented to Japan by the governments of the United States, Great Britain and France; and does China expect to receive any concrete assistance as a result, other than the credits already announced?

Answer: China is most gratified and considers them a hopeful and welcome sign. But it is a great pity the Powers did not inform Tokyo equally sternly and specifically as to their attitude regarding the invasion of China by Japan eighteen months ago when hostilities began.

"Unless they are followed by concrete action they are meaningless," commented Sun Fo, chairman of the Legislative Yuan."

The Foreign Minister described the British note as "an historic document clarifying beyond doubt that country's position in the Far East." Then continuing, he stated: "But the most important thing now is for America, Britain and France to take concrete steps in collaboration with other Powers interested in the Far East, and formally propose to Japan the procedure for settling the present dispute, even to defining the very terms for an equitable and practical solution of the Far Eastern question."

The American and British credits are much appreciated. Nevertheless, it is pointed out that in size they are small indeed and therefore, their value is chiefly psychological. One and all plead for larger credits though they do not go so far as to state they expect them. To grant them, one is reminded, is, after all, only good business, since they afford a cheap form of insuring the Powers' own interests. But what China really hopes for is some form of economic pressure—preferably sanctions against Japan in the not too distant future.

Minimum Peace Terms

Question: What are China's minimum peace terms?

Answer: "The same today as they have been all through—territorial integrity, administrative sovereignty and equality of treatment," declared Madame Chiang Kai-shek.

"Japan must restore the July 7, 1937 status quo ante," replied Finance Minister Kung.

"China will not make peace until she has recovered all her lost territory including Manchuria," announced General Chou En-lai.

"They have not been studied in any detail. But they would be based on the Nine-Power Treaty, and specifically on the maintenance of China's independence and integrity," vouchsafed the Foreign Minister.

From these statements it will be seen that there is fundamental agreement amongst Government leaders regarding China's minimum peace terms. Nor did I hear from any other quarter even a suggestion of compromise.

Question: Would China welcome third Power mediation at this stage?

Answer: "China definitely is not seeking it. However, we are ready at any time to make an honorable peace, though never one based on cringing fear. If any Power can facilitate the first we are naturally prepared to accept their good offices," Madame Chiang Kai-shek disclosed.

"We are always open to friendly mediation, providing it is based on justice. We are likewise prepared to meet the Japanese any time on terms of equality and we would also willingly enter a conference of the signatories of the Nine-Power Treaty to discuss what is really the best way of settling not only the difficulties between China and Japan but the whole Far Eastern situation," commented Dr. Kung.

Here again I found no fundamental difference of opinion.

Question: How much longer is the Sino-Japanese conflict likely to last?

Answer: Until Japan comes to terms. In the opinion of General Chou En-lai this will take at least another eighteen months.

Economically, China can stand the strain longer than Japan, since she is by no means so highly organized. She can continue indefinitely to live much the same as she did before hostilities began, and her resources in man-power and materials are immense. Moreover, China can concentrate on fighting one enemy; not so Japan, who has several in the offing.

Life in Chungking

To describe over-crowded Chungking (it is exceedingly hard to find accomodation) as confident, and to state there are many good reasons for it, is therefore but a statement of fact. The morale of the people is good despite a number of disastrous Japanese air-raids; the last one, on January 15, which I missed by barely two hours, killed 132 and wounded 168, in addition to doing much property damage (the American school being among the buildings hit).

At all hours of the day one hears loud explosions as solid walls are being blasted away for the construction of bomb-proof shelters (these are being feverishly tunneled in the hillsides in readiness for the intense bombings that are expected as soon as the weather clears) or else to make way for new residences and government offices. Another sign that the city has become air-raid conscious is the changing of the banking hours a week ago (January 23) to 3-7 p.m., thus following the example set by other big cities that have been consistently bombed by Nipponese planes.

The sad lack of transportation (one has literally to fight one's way into the municipal buses, many of which have come all the way by road from Nanking—rickshas taking a shocking toll of one's time due to the city being built on a range of hills), the grossly inefficient telephone service (it usually takes the best part of an hour to get a single number especially if the party you are calling lives on the opposite bank of the river), and the depressing winter climate (every morning one awakes to find the city enveloped in a dense mist—the appearance of the sun a rare occurence, being greeted as a phenomenon), are each likely to dampen the spirits of the visitor to Chungking during his first few days. Yet directly he remembers that this is wartime and that it is ridiculous to expect things to run like clock-work, and that after all mists and fogs are by no means confined to Chungking, the capital begins to grow on him, and by the time he leaves, be his sojourn only as brief as mine, he departs almost as sanguine as to China's future as his hosts.

Chungking, January 30, 1939.

War Loans in Eastern Asia

BY KURT BLOCH

(*Amerasia*)

THE Sino-Japanese war has generally been understood as a clash between Japan and China, Japanese imperialism fighting an aggressive war against China while, and because, China was well on the road to badly needed unification and consolidation. But the longer the hostilities last, the more it becomes apparent that Japan is fighting not only China but Western interests in China as well. The partition of Czechoslovakia after Munich gave Japan the courage to come out into the open. General Ugaki, who as Foreign Minister had tried to preserve a friendly understanding with Britain and the United States, was ousted by the military and replaced by Hachiro Arita, the only Japanese diplomat who had dared openly to advocate the abolition of the Open Door in China as early as April 1938. Shortly after Arita's appointment, Japanese forces attacked Canton, forcing British Hongkong into near-bankruptcy. It was not accidental that a week after Ugaki's resignation, the United States Ambassador to Tokyo handed the Japanese Premier the Open Door note of October 6. The Japanese answer of November 18 was not satisfactory at all, but still vaguely ambiguous, while semi-official statements abound disclosing clearly Japan's monopolistic intentions in China.

This threat to the Western powers' vested rights in China is not less serious in view of the fact that from the start Japan has not been fighting single-handed in China. Since the summer of 1937 it has received valuable and increasing assistance from Germany in the form of equipment loans to Manchoukuo which clearly are war loans. The total amount of such loans has not been disclosed, but it may well be no less than US $45,000,000, to wit: $27-28,000,000 loans by the Otto Wolff clique, and $18,000,000 according to the terms of the new German-Manchoukuo trade agreement of September 15, 1938. Germany has been rewarded for its assistance by preferential rights in China incompatible with the Open Door principle, and the Japanese representative of the South Manchuria Railway in Germany has publicly promised that such preferential treatment in China would be the permanent privilege of both Germany and Italy. Lately, however, Germany's export ability has been greatly affected by the economic strain put upon German business through the continuous threat of and the preparations for a European war on a large scale.

S. M. R. Seeks U. S. Loan

Therefore, the South Manchuria Railway recently applied to American suppliers and bankers for an equipment loan of US $10,-500,000, which was refused. In addition, Dr. Genshichi Asahare, managing director of the Manchuria Industrial Development Company, is on his way to America to arrange for cooperation between this enterprise and American manufacturers. Modestly he expects to arrange here machinery credits for terms of from five to seven years for an automobile manufacturing enterprise, for the Showa Steel Company and for the Manchurian Coal Mining Company. All of these works are of a semi-militray character: the automobile factory serving the motorization of the Japanese Army, Showa Steel producing badly needed steel which in the end is to replace American steel now purchased by Japan, and the Manchurian Coal speeding up its lagging program of coal output to satisfy the urgent needs of Japan which is facing a coal shortage. With the Japanese record of extravagance, inefficiency and—to put it mildly—poor accountancy in Manchurian enterprises (cf. the author's analysis in the forthcoming February issue of *Asia*), there is little likelihood that Dr. Asahare could succeed.

But while Japanese loan negotiations have been a failure, the Export-Import Bank of Washington, an institution for the promotion of American export trade controlled by the Reconstruction Finance Corporation, has granted the Universal Trading Corporation of New York—an enterprise headed by a Chinese citizen who is said to be in close touch with the Bank of China—credits up to US $25,000,000 in order to facilitate the export of agricultural and manufactured products of American origin and the import of Chinese tung oil, an important raw material for the manufacture of quick-drying varnishes wanted especially by the booming American automobile industry. Simultaneously, in what might be described as "parallel action," the British Government announced its readiness to guarantee loans to China through its Export Credits Guarantee Department, especially for the development of trade and communications between British Burma and China. The amount of the loan suggested is £st.500,000 for the time being. A few days later the Secretary of the U. S. Treasury announced that the Government had agreed to extend an arrangement whereby the U. S. Treasury was ready to facilitate loans to China, with gold deposited by the Chinese Government with the U. S. Treasury as security.

While Japan gladly availed itself of German lending and applied to American business for loans, it now strongly objects to loans extended to China by American and British government agencies to assist their businessmen in trading with a friendly nation. Mr. Hachiro Arita, Japan's Foreign Minister, termed the loan "an inopportune and regrettable act on the part of the United States which thus far has acted with understanding. If, as the U. S. press reports, it is a political gesture on the part of the U. S. against Japan, I think that would be a very dangerous political gesture. Japan may regard the loan as really intended as a form of economic pressure by a powerful economic unit. It would prove quite contrary to what is expected by the U. S."

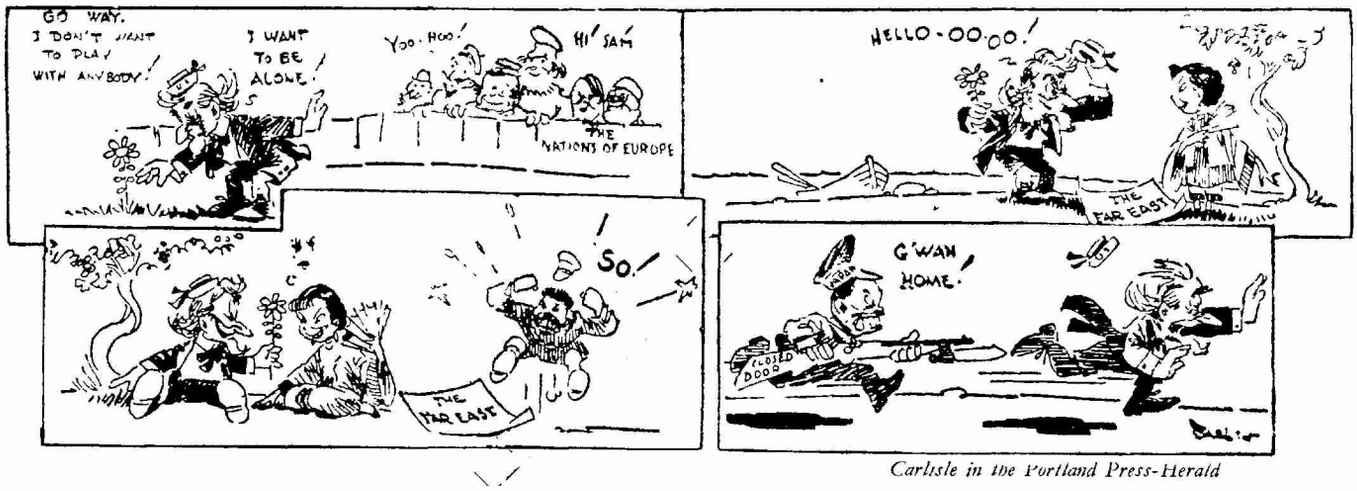
Simultaneously, he announced that extra-territorial rights in China as well as foreign concessions must be abolished, and that the economic activities of the powers should be subjected to certain restrictions dictated by the requirements of national defense and economic security.

Retaliatory Action

At the same time, the Japanese-sponsored puppet regimes of Peking, Nanking, Hankow and Canton gird themselves for a conference which seemingly is to protest against the British and American action and to contemplate retaliatory measures against the two Anglo-Saxon democracies, measures for which Japan of course will decline any responsibility of its own, having withheld formal recognition from the puppet governments which depend on the good graces of the Japanese Army. By now it has become the established Tokyo tradition that the Foreign Office declines responsibility for the acts of such puppet governments, actually ensuring to the Japanese Army unrestricted and non-responsible control over its adopted children.

Unofficially, Japanese Army spokesmen have charged that the new loans would prolong the Sino-Japanese war beyond next summer when, they assert, they had hoped to bring hostilities to a close, while otherwise these loans would have little effect. These charges are especially interesting as they illustrate very well the point made by critics of Japan's China policy who more or less seem to agree that by the summer of 1939 Japan's economic and financial situation will have become such a pinch as to disable it to win its war in China at all. On the other hand, these charges are in strange contrast with the arguments of military experts who are inclined to believe that the Japanese would have been unable to win, with the Chinese army intact within territory virtually impassable for mechanized units

Uncle Sam Becomes Involved in a "Foreign" Entanglement



Carlisle in the Portland Press-Herald

and heavy artillery.

Little comment has been forthcoming on the Chinese side which certainly has been highly gratified by developments which indicate that both the United States and Britain have ceased being vaguely but passively sympathetic, and have instead decided to assist China financially, so as to counterbalance the weight of German economic assistance to Japan.

Viewed from both the British and the American angle, there might seem to be nothing very remarkable about the new loans to China. Shortly before the outbreak of the Sino-Japanese hostilities, the British Export Credits Guarantee Department had opened a special office in Shanghai to facilitate British trade with China. Nearly simultaneously, the Export-Import Bank of Washington granted its first loan to China in connection with the sale of twenty railway locomotives to the Chinese Ministry of Railways. Thus, it might be said, Britain and America are just continuing an economic policy initiated in the middle of 1937.

New Situation Develops

Yet, a new situation has developed in Eastern Asia, and the return to the line of economic policy initiated in 1937 by both Britain and the United States is significant, in view of that new situation. When in 1937 Britain and America granted loans to China, they did so in the expectation that China, a power weak in arms and rich in man-power, might gradually grow more prosperous with their help and develop into a promising market. But toward the end of 1938, the British and American concepts of China and Japan had undergone a momentous change. A year and a half of war has proved that China was not nearly so weak in arms as she was thought to be in 1937. On the other hand, this year and a half of war has proved that Japan was neither so strong in arms as it boasted nor able to establish a new order in Eastern Asia for which it is hankering. Instead, its generals showed themselves to be poor strategists, bitterly criticized even in friendly Germany, and inept politicians so far as China was concerned, where they have established a turmoil worse than anything in recent Chinese history. Unfortunately, wish-dreaming Japanese leaders are unable to visualize the realities of Japan's terrible plight. That is why Japan has done everything possible to provoke the Western powers against itself.

Mr. Hachiro Arita valiantly expressed his opinion in April 1938 that the Open Door policy was done for. Even though as Foreign Minister he now tries to use a language more gentle, he has not changed his opinion. Japan's generals in China, having failed in their military aims despite all their announcements of victory, are untiring in their attempts to throw what remains of business on China's scorched earth to their Japanese business friends—with minor shares for Germans and Italians—and to develop monopolistic and inflationary schemes with the sole aim to oust foreign business in favor of Japanese or Japanese-controlled Sino-Japanese enterprises. Thus it is the Japanese themselves who are to blame if the Western powers have now arrived at the conclusion that friendly accommodation of their business interests in China can come only from China's National Government.

Follows Traditional Policy

Furthermore, the new American loan follows an old-established bi-partisan tradition of American foreign policy. The United States has always tried to be kind to China. Its attitude, not at all free from but actually conscious of sentimental sympathy, has been greatly influenced by the American missionary and his readiness to help China. Thus, during the great Yangtze flood of 1931, the Federal Farm Board offered China a wheat loan of 15 million bushels repayable in three annual instalments at the end of 1934, 1935 and 1936. Similarly in 1933, when T. V. Soong returned home from the London World Economic Conference and visited in Washington, he concluded a loan of 50 million dollars in the form of cotton, wheat and flour sold on credit. Chinese demand for foreign cotton, however, was already at that time so small that little more than one-third of the originally contemplated amount was actually used.

These US $17,000,000 lent in 1933 and 1934 constituted the basic fund of China's National Economic Council, an organization established in close cooperation with the League of Nations. It is noteworthy that this loan might well be described as the first attempt at parallel action between the League of Nations, representing the Western European powers, and the United States.

When in 1936 the period of bitterness caused by American silver policy and the unavailing Chinese complaints about its results belonged to the past, and the United States, through continuous silver purchases, cooperated in the task of giving China's reformed currency a firm basis, the loans of 1932 and 1933-34 were consolidated and transferred to the Export-Import Bank of Washington. Simultaneously, the terms of repayment were rearranged. The original debt totalling US $26,318,211 had been reduced to US $15,700,000 by January 1, 1937, bearing interest at the rate of 5% per annum and being repayable at the rate of US $2,000,000 in 1937, and of US $2,800,000 in each of the five years 1938 to 1942. About a year later, the Export-Import Bank helped finance the locomotives deal. On September 30, 1937, the total Chinese account with the Export-Import Bank amounted to US $16,400,000, and was reduced to about US $12,600,000 by September 30, 1938, according to schedule.

At the time the Export-Import Bank agreed to finance the locomotives sale to China, Dr. H. H. Kung and the Secretary of the U. S. Treasury agreed upon a program of Chinese purchases of substantial amounts of gold from the U. S. Treasury, the Treasury agreeing to furnish China with advances in dollar exchange against gold held for the account of the Chinese Government.

These arrangements have been entirely satisfactory to both parties, so there is little reason to wonder that now a new loan covered by a guarantee of the Bank of China has been arranged between the Export-Import Bank and the Universal Trading Corporation to facilitate the Sino-American exchange of goods. Nor is it surprising that the arrangements between the Treasuries concerning the gold account have been extended.

Japan is Disappointed

On the other hand, it is quite comprehensible that the new loans extended to China are a bitter disappointment to the Japanese. Since the days of Munich, the powers of the new fascist Triple Alliance had begun to think the world was theirs for the asking. Instead, the Japanese are now being told plainly and unmistakably that their dream of a Japanese-controlled China is still far from realization, with both the United States and Britain giving financial backing to the Chinese National Government. For these new financial resources mean more to China than the amounts immediately involved, sizeable though they are, would indicate. Already exchange quotations on China's yuan currency have risen. With this new backing, exchange operators naturally expect that China may be able to secure a considerable batch of subscriptions to its defense loans from patriotic overseas Chinese; in addition it does not seem impossible that the Soviet Union may also be willing to relax the terms on which China was supplied up till now, and to extend credit to China's National Government. Thus the Anglo-American credits of roughly US $30,000,000 may easily treble.

This is the more important, as Japan's armies have not done too well since the fall of Canton and Hankow. Canton now is a city besieged by a strong Chinese counter-offensive. The Japanese drive into Kiangsi and Hunan has been halted. The often advertised great Japanese push against China's Northwest and the Sino-Soviet trade route seems to have fizzled out once more. Economically the exploitation of China's resources has proved a great disappointment, the Chinese peasants stubbornly refusing to grow what the Japanese want to purchase from them for well-nigh worthless fiat money, and preferring instead to produce what they need to feed themselves and their families. In Manchuokuo the lack of labor, the lack of peace increasingly threatened by the Chinese Eighth Route Army and by Japanese provocation of the Soviet Union, and the lack of rolling stock on the railways due to its withdrawal into China, combine to hamper its development. In Japan itself, the pinch of wartime conditions is harder to bear the longer it lasts, and mysterious fires and explosions add to the belief that Japan's "silent millions" may not be silent forever.

Thus, it was a fairly good time for China to be granted financial assistance. And Japan, which badly needed victory by summer 1939, faces the unpleasant certainty that the China Incident is more likely to last much longer, longer indeed than Japan's financial resources are likely to last. Whether the intention behind the parallel loans to China by Britain and the U. S. A. is commercial or political, they are "dangerous" to Japan, though not much more than German financing of Japan was dangerous to China.

ODE TO BRITAIN

Messrs. Aggressors :—

Meine Herren and Signori,
Clients of the British Tory,
Downing Street, at Number Ten,
Requests your patronage again.
Why not drop in here, today,
For Chamberlain, Daladier,
Messrs. Hoare, Laval's successors
Are doing business with aggressors.
Fronriers promptly liquidated,
Coups d'etats consolidated,
Pledges taken and exchanged,
Acquisitions rearranged;
Loans on Fascist risks advanced,
Nazi enterprise financed!
European intervention
Given personal attention!
Have you problems of partition?
Let us send a British mission.
Breaking with Geneva firms,
We give aggressors favored terms;
We will help you back your claim
With England's honorable name.
For shady deals, both great or small,
Our representatives will call.
Orders carried out with speed—
Satisfaction guaranteed!

Jerry Kanner in Life, New York.

ODE TO AMERICA

America's Doorstep :—

Is it nothing to us, America,
That war in ugly guise
Is thrust by an aggressive foe
From water, land and skies
Upon a people unprepared
For this grim enterprise?
Have we no care, America,
That a nation starves for food,
That women bear unwanted sons,
Homeless in bitter mood,
That aliens bomb proud cities
To devastate, denude?
America, is it avarice
That urges the sale of oil
And other tools the war-gods use
In sanguinary toil?
O sweep your doorstep clear today
Of war's polluted spoil!

Harriett Lois George, China Information Service, Washington, D. C.

War-Time Communications in Chekiang

T. C. TSAO (趙曾珏)

THE task of maintaining communication systems in war time is a tremendous one. On the one hand, it is necessary to help military operations, as every kind of military activity necessitates a like activity of the communication system for transportation of troops, carrying of munitions and foodstuffs, and transmission of orders, messages, etc. On the other hand, the communication system is the life-line of the economic structure of the community and, therefore, the nation as a whole.

In modern times, the winning or losing of any war is not determined by the nation's military strength alone. Economic forces play a very important role. The province of Chekiang is situated in the fore-front and is in the war zone. Although a part of the province has been overrun by the enemy, the communication lines have been kept running without interruption.

Since the spring of 1938, a bi-weekly conference has been held of the chiefs of the communication organizations, together with their senior staffs, by order of Mr. Chang Kia-ngao, the Minister of Communications of the National Government, in view of the fact that the communication system bears so importantly on military and economic developments, and hence has to adjust itself from time to time to cope with the needs of the situation. Throughout the year 1938, these meetings, featured by reports, discussions, exchange of opinions and devices for improvement, etc., have been maintained and many questions relating to communications have thereby been solved to the best advantage in a spirit of mutual help and cooperation. Apart from information which has to be kept confidential for military reasons, the following is a brief description of how the railways, highways, water routes, telegraph and telephone, and postal services carried out their respective duties during the year.

Chekiang-Kiangsi Railway

The railway is undoubtedly the most efficient and economical means of communication. The Chekiang-Kiangsi Railway is now the only railway which remains intact and which serves as the main line of communication of this province with Kiangsi, Hunan, Kwangsi, and other western provinces. Throughout the year, we were face to face with the enemy in the northern part, across the Chientang River. Troops, munitions, and supplies had to be transferred here and there. Refugees had to be shipped to places of safety. Native products were transported abroad, and necessary supplies imported by means of this railway.

This limited means of communication has had to meet unlimited demands from all sources throughout the length and breadth of the war zone. The difficulties to be overcome are beyond imagination. To take illustration: When the situation in northern Kiangsi became critical, and the safety of Nanchang, the provincial capital, was threatened, several parts of the railway had to be dismantled and transported together with spare parts and materials westward. The foundation of the road had to be destroyed, so that it might not be in any way utilized by the enemy. When the tension eased, the road bed and rails were to be restored to a condition good for traffic. The promptness in carrying out this task broke all records in our railway history. At present, though its mileage is shortened to some extent as the result of partial dismantlement, and though its rolling stock is kept busy for military purposes, the general traffic of the railroad has been increasing to such an extent that its average monthly income is over $1,000,000, i.e., several times more in comparison to that in the same period before the war. Since December 18, 1938, a through train service from Kinhwa to Kweilin has been operating. The above-quoted figure throws a light on the vigor of the railway staff, who are rendering invaluable service, both military and economic, to the cause of our long-time resistance.

Chientang River Bridge

This bridge was erected under the supervision of a famous Chinese civil engineer, Dr. E. S. Mao, and was completed on Oct. 10, 1937, just about two and a half months before the Japanese occupied Hangchow, the capital of Chekiang. It served a threefold purpose: (a) it connected the Chekiang-Kiangsi Railway with the city of Hangchow; (b) it enabled the Hangchow-Ningpo Railway to be completed; and (c) it linked the highways on the southern bank of the river with those of the northern part. The bridge was of a double-deck design, with upper deck for the highway and the lower one for the railroad; total length 1.39 kilometers.

The constructional cost was about $3,500,000. The bridge was opened for traffic in November, 1937, when it was most needed. It was dynamited at noon on December 23, 1937, half a day prior to the arrival of the Japanese army. Although the bridge was open for service only a little more than a month, the value of goods shipped over it and taken to safety was estimated at ten times more than the constructional cost of the bridge. It is safe to say that the bridge has served the province of Chekiang and the nation very well.

The Highway Situation

On the fall of Hangchow, the traffic of the Chekiang provincial highways was interrupted for some time owing to the scarcity of vehicles, of which a great many were taken over for war purposes. Those in charge of the highways made a great effort to put their restoration schemes into practice and omnibuses were purchased to meet the demands of the increasing traffic. The bridges and culverts, which had been destroyed at the critical moment, were repaired, schemes being made to bring them down if necessary at any time. In this way, a good system of highway communication was maintained south of the Chientang River.

As gasoline is so expensive, freight ricshas, over 6,000 in number, equipped with wheels with rubber-tyres, each capable of carrying a weight of 200 to 250 kilograms, have been placed in service. Regiments of ricsha pullers, among whom many physically-able refugees from the fighting areas are employed, have been formed, and their service, with a reasonable fare, has been opened to the public. A well-connected transportation service on land and on water has been arranged. All the above mentioned have been carried on with success; and, though the cargoes exceed the number of available trucks, the situation has been eased with the help of the well-organized corps of freight ricshas. In this way, the refugees are given daily bread, while transportation is facilitated.

This inexpensive innovation is worthy of adoption in other provinces, where the fuel cost is prohibitive. Furthermore, pains are taken from time to time to accelerate ferries and ferryboats, to utilize carts in a more rational way, especially on their return journeys from military assignments, and, above all, to work out an economical inter-provincial communication program. The prosperity in the field of communications leads to brisk business in the community despite the hindrances of the war. Such native productions as tea, salt, and tung oil have been exported in abundance, and the revenue received from the highways is considerably more than in pre-war time. The gross revenue for November, 1938 amounted to over $280,000 breaking all monthly records prior to the war. Recently, at the suggestion of the conference of the communication organizations, through highway tranpsortation from Kinhwa to Ningpo was inaugurated. Since January 10, 1939, it has been possible to travel rapidly from Kinhwa to Ningpo or from Ningpo to Kinhwa, with only one change of buses en route.

Water Transportation

Chekiang is located along the coast and has several famous streams running through it to the sea. When the war began, the outlets to the sea were occasionally closed or regulated by order of the military authority according to the military expediency of the time. This state of things placed many difficulties in the way of communication by waterways. But as land communications are so much occupied, the rivers must be utilized to solve the problem. The upper Chien Tang River and its branches have been used as a throughfare for a great part of the province. To regulate waterway transportation, a special bureau has been created. Boatmen and ship owners are registered; numerous vessels placed in service by turns have been assembled and stations established at different places along the river, so that the vessels can be efficiently controlled and their whereabouts easily located. The boatmen are given education in order to make them enlightened and efficient. When ships are necessary for military purposes, the military authority has to look to this office to supply them. Communications along other rivers in the province are conducted in like manner, also along the sea coast. The services of the various lines are inter-connected so as to bring best results. Along the coast of Chekiang, we have several seaports, which are not only the outlets of the province but also the link between the hinterland provinces and the outside world. Important as it is, regulations are minutely stipulated and keenly observed to bring communication over-seas under control.

Electrical Communications

Before the outbreak of the war a very efficient long-distance telephone system had already been developed in Chekiang and its service reached to the smallest localities. When the northern part of the province was overrun by the enemy, the Telephone Administration suffered a great loss of property. However, no time was lost by the Administration in adjusting the long-distance telephone network so that it has attained a monthly record of handling over 70,000 long-distance calls. Necessary extensions and improvements have been made to cope with the demand for service. The following is a brief account of the work of the Chekiang Telephone Administration since the war started:

To cope with the necessities of war time, extension has been made to the telephone line system to a total lineage over 10,000 loop kilometers, those parts not yet finished being not included. In order to render the service more efficient, and to meet the military and economic demands, endeavors have been made to have the service interconnected closely with that of the inter-provincial long-distance telephone system—with striking success. On the busy lines, carrier telephones are installed to increase talking channels in the most economical way.

Before the war, Chekiang had only a few

radio stations, and their service areas were very limited. After the fall of Hangchow, many fixed stations have been established by the Telephone Administration, together with many other shortwave moveable stations. The total number of radio stations throughout the province is now over one hundred. Now one can communicate easily with Chungking, Chengtu, Kweiyang, Kweilin, or other important places by wireless.

Air raids are frequent in most of the cities throughout the provinces, and lines are exposed to the danger of destruction. So emergency engineering corps have been formed at important toll centers to do the necessary repair works, so that messages, military, civic, or commercial are carried on with the slightest interruption.

Financial Situation

As to the financial condition of the Telephone Administration, the main source of its commercial income, now mainly derived from the long-distance system (which was originally established, not for the purpose of economic returns, but for the national defensive policy and for the general welfare of the province, was reduced by the loss of Hangchow. But the Telephone Administration, by cutting down rigidly on its expenses, and improving its services, is still self-supporting. The average monthly income of the Administration now amounts to over $35,000.

The postal service plays a leading part in the field of communication in time of war as well as in time of peace, especially in the field of economic activity. The war-time postal service of Chekiang, alongside the regular business, has endeavored to carry out military postal service on a considerable scale, so that the soldiers at the front can send and receive letters, remit or draw money, and make deposits of their savings. In the so-called "occupied territory," postal services of the simplest kind are taken up again after some months of interruption, in order to maintain the integrity of the postal system.

The above account describes the condition of communications in Chekiang throughout the year 1938 of our long-term defensive war. Since hostilities have been proceeding on a large scale, and Chekiang province has been plunged headlong into the torrent of war, it would not be utterly groundless to think of its communication system as being completely disrupted and its rural economy in a state of bankruptcy. But the truth is otherwise. Difficult as things are, it is managed skillfully and in good order. The experience learnt through the war is valuable for our future improvement. It illustrates well what is meant by tempering, and proves well the old saying: "Sweet are the uses of adversity."

Washington's Birthday Marked in Shanghai

Some 400 guests gathered at the Shanghai American Club Tuesday evening of this week to honor the memory of George Washington, first President of the United States, on the occasion of the regularly-celebrated birthday anniversary. At the stroke of midnight, a toast to "the father of our country" was proposed by Admiral Harry E. Yarnell and drunk to the strains of "The Star Spangled Banner," played by the band of the Fourth Marines. Prominent personalities present were Col. J. C. Fegan, officer commanding the Fourth Marines, and American consul-general Clarence E. Gauss, who on Wednesday gave a reception for American citizens at the Columbia Country Club.

Several States Recognize Franco Regime as Final Offensive Nears

WHILE the British and French governments continued deliberating on what action they would take in the matter of recognition of the Franco regime in Spain, meanwhile continuing efforts to bring the civil war to a close through an armistice, *de jure* recognition was extended in turn this week by the governments of Peru, Uruguay, Egypt and Poland. Recognition was accorded the Franco government by the Irish Free State on Feb. 12, according to a *Transocean* message from Dublin. Similar action was expected by Argentina and Brazil, according to the German agency.

A Burgos dispatch to the Paris *Intransigeant* Feb. 16 declared that Gen. Franco, not allowing himself to be influenced by the possibility of *de jure* recognition by France and Britain, was massing his forces for a final blow against Republican Spain. The fascist generalissimo is said to have ordered closure of all Nationalist Spanish frontiers to prevent news of extensive troop movements, now taking place in preparation for a new offensive against the territory still in Republican hands, from getting across the frontier.

Insisting upon the unconditional surrender of the Republican forces, Franco declined a British mediation offer and rejected Republican overtures for an armistice put forward by the Negrin government, the terms of which were to be a guarantee of Spain's national integrity, the holding of a plebiscite to determine the form of Spain's future government, and a general amnesty. According to one dispatch, the Negrin government later modified these demands and insisted only upon amnesty for the Republicans.

Tribunals Work Overtime

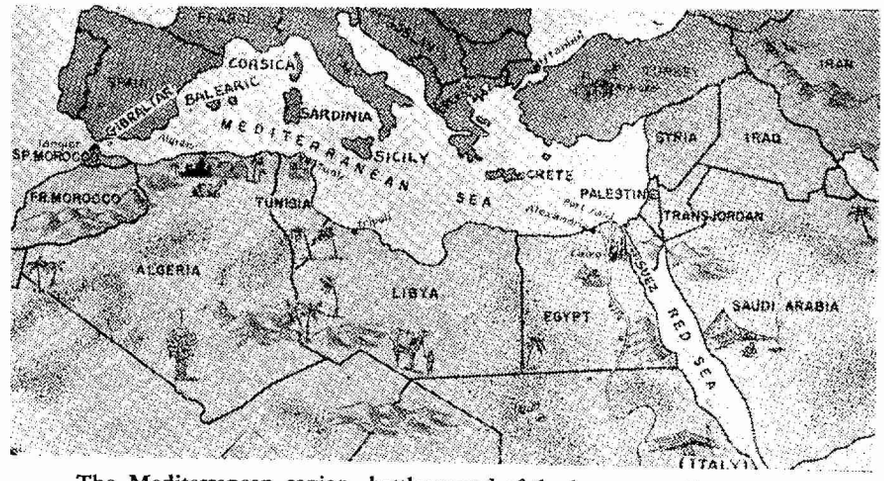
Transocean messages indicate that tribunals are working overtime in captured Barcelona, with numerous death sentences for adherents of the Republican cause. Use of the Catalan language as the second official language in the province of Catalonia has been prohibited by a special decree signed by Gen. Franco. At the same time, all Catalan political and autonomous bodies of the Catalan Generalidad have been dissolved and replaced by organs created by the Nationalist government. Upwards of 300,000 persons have been placed in concentration camps established by the Franco government, and the number is expected to reach 450,000 in the near future, says *Transocean*.

Lord Swinton, former Colonial Secretary and Secretary for Air in the British cabinet, may become the first British ambassador to Nationalist Spain, according to a forecast in the London *Sunday Times*, which said that the British government intends to appoint to the post a man of wide reputation and with special knowledge of economic questions, which qualifications Lord Swinton is said to possess.

Sumner Welles, Under-Secretary of State in Washington, told a press conference Feb. 17 that the United States Government is not contemplating any hasty decision in the matter of recognition of the Franco regime. Ruling out any question of Pan-American unity in this matter, Mr. Welles said the United States Government believed that the question was one primarily of European importance, and that recognition or non-recognition was a matter for each American government to decide for itself.

A blunt statement that Italian forces will not be withdrawn from Spain was made Feb. 17 in Rome by the official *Informazione Diplomatica*, which declared that the Italian legionnaires would return to Italy "as soon as General Franco lets them know that their task is over, but not before." Lauding this statement, the Berlin *Lokalanzeiger* wrote: "As long as the democratic powers support the Reds directly or diplomatically London and Paris must not be surprised if Italy does her bit in order not to weaken the victory of the good cause."

Where the Anglo-Italian Chess Game Is Played



The Mediterranean region, battleground of the human race since the beginning of time, is now an arena of struggle between Italy, on the once hand, and France and Great Britain on the other. This struggle has become more acute since the triumphant offensive of Gen. Francisco Franco in the Spanish province of Catalonia with the aid of Fascist Italy, which, in addition to supplying Franco with arms and munitions, has thousands of Italian soldiers fighting with the Franco armies. Gen. Franco is now preparing his next offensive action, by which he hopes to conquer what still remains of Loyalist territory in central Spain.

Kiangnan Anti-Japanese Volunteers Emulate New Fourth Army Conduct

BY S. N. CHIANG

AFTER a considerable period of terror and disturbance created by the aimless activities of certain of the guerrilla units last year, the Anti-Japanese Volunteers of Kiangnan (Kiangnan meaning "south of the river—in this case south of the Yangtsze—Ed.) have moved into this district Changchow, near Wusih, about 65 miles from Shanghai on the Shanghai-Nanking Railway). This force, commanded by Mei Kwang-ti, with Ho Ke-hsi as deputy-commander, arrived from Tanyang with the avowed purpose of re-establishing local order and intensifying guerrilla warfare against the Japanese—the first in the immediate interests of the people, the latter for the cause of China's national salvation.

The Volunteers, according to all available reports, are a unit independent of the New Fourth Army, but they imitate the program and tactics of that force. They are composed of students, workers, merchants and farmers drawn from such widely-separated provinces as Kiangsu, Anhwei, Szechwan, Hunan, Hupeh and Kwangtung, and they exceed 3,000 in number. As the Volunteers have already gained great popularity, due to their morale and discipline, many patriotic young people, men and women, youths and girls

"Humanity Above All"

John Groth in The Nation, N. Y.

from such places as Kiangyin, Tanyang and Changchow have voluntarily enlisted in their ranks.

Headquarters of the Volunteers are shifted from place to place as military necessity requires. At present, the force is stationed in one of the least accessible spots near Changchow city. When they appear in a new place, they first of all engage in propaganda, distributing handbills, posting slogans, holding mass meetings. Dramatic performances are given to draw attention to the fate reserved for traitors and to impress on the people the inhuman acts of the Japanese soldiers, such as the cruel slaughter of innocent citizens and the raping of women and young girls. As a result of this activity, patriotic feeling has mounted and many people aid the volunteers, regarding them as their only protection.

Commanders Describe Battles

In an interview with the writer a week ago, Commnader Mei and Deputy Commander Ho revealed that the Volunteers had engaged the Japanese troops in battle several times this month—at Sishihchiao (a town of Kiangyin), Yenlin and Suimao (two towns of Tanyang), and at Chuyung. Heavy casualties, they said, had been inflicted on the enemy. In June of last year, they carried out the task of destroying the Chinkiang-Kiangyin highway on three different occasions in order to hinder the invading troops. Six bridges and viaducts along this highway were blown up in a single night.

Cooperating with the New Fourth Army, the Volunteers have attacked enemy truck convoys carrying war materials along the Chinkiang-Kiangyin, Wusih-Kiangyin and Wusih-Shanghai highways. They scored their most recent victory on Feb. 7, only three days ago, at a point near Fanshang, which is about 12 kilometers east of Changchow city. In this action they attacked and decimated a Japanese army detachment and captured a large number of rifles, machine-guns, ammunition and other military equipment.

Under the Political Department of the Volunteers are organized sections (People's Movement, Publicity and Civilian Service Corps) to lead the population in patriotic activity. Thier accomplishments, as outlined to me by the Commander and Deputy Commander, include :

1. The organization and training of "armed masses" for the defence of towns and villages, on the one hand, and for preparing attacks on the enemy, on the other.
2. The creation of Youths' and Farmers' Resistance Associations with a view to welding a united front against the enemy.
3. Enlightenment of the rural population. This includes military instruction, education in international affairs, and explanation of the reasons why China must win the final victory.
4. The searching out and extermination of traitors.
5. Aid to the various local authorities for the restoration of the original political structure—the *pao chia* system.

Appeal for Aid

Economically, the Volunteers are badly situated. Their main sources of finance are contributions by patriotic citizens and public bodies, and funds derived from the confiscation of the property of traitors. By these means, the Volunteers are barely able to maintain themselves, and they have therefore appealed to the Central Government for assistance, and to friends and sympathisers, both Chinese and foreign, who are concerned for the continuance of their struggle.

The Volunteers are all able-bodied men. They wander from place to place, never remaining in one locality longer than three days. Apart from their daily food, a sum of two dollars will cover the needs of each man, irrespective of rank, for a whole month. Some of the men keep diaries. Their training and drills take place at dawn. Two hours each day they attend classes and study guerrilla tactics. While parading they sing patriotic songs. Although they live a hard life, they are happy, and courageous, because they have already made up their minds to make any sacrifice necessary for their country.

To the writer's knowledge, the Volunteers are the only real guerrilla force seen here since the withdrawal of the Chinese troops from Tazang, near Shanghai.

Changchow, Kiangsu, February 10, 1939.

Foreign Medical Aid For China's Wounded Soldiers

Under the auspices of the International Peace Campaign, a group of foreign doctors is being despatched to China from London to render medical assistance to wounded Chinese soldiers. A message to this effect has been received from the International Peace Campaign in London by the Chinese People's Foreign Relations Association in Chungking.

36 Soviet-Manned Planes Said Downed

THIRTY-six Chinese planes, manned by Soviet aviators, were shot down on the afternoon of Feb. 20 in a spectacular aerial battle over Lanchow, capital of Kansu province, it was claimed in a communique issued by the headquarters of the Japanese Expeditionary Forces in Central China, which also boasted of the destruction of various military establishments and airdrome facilities. Chinese versions of the battle differed widely from the Japanese, *Kuo Min* announcing that nine of thirty Japanese raiders were shot down.

One Japanese bomber, according to the Japanese report, was struck by Chinese bullets. The pilot, realizing that the crew of seven were doomed, deliberately crashed his machine into a Chinese military establishment, blowing up the structure, the report said. All the other machines returned safely to their bases, it was claimed.

Listing the destruction caused in Lanchow by the raiders, *Kuo Min* reported demolition of the Kansu Provincial Hospital, the Girls' Vocational School, the Mohammedan Primary School and the building of the Kansu Provincial High Court. More than 20 civilians were killed and over 50 civilian houses destroyed, the agency said.

Many Chinese schools were destroyed by Japanese planes in a raid on Nanyang, southwestern Honan, on Feb. 15, according to the *Yih Pao*, which reported destruction of the Nanyang Middle School, the Rural Normal School, the Fu Hsing Middle School and the Ching Yeh Middle School. More than 60 people were killed and 10 others wounded. The office of the *Min Pao*, Chinese daily newspaper, was destroyed and the paper has suspended publication.

Yenan, stronghold of the former Communists in northeastern Shensi, was raided Feb. 18, when 15 bombs were dropped by Japanese planes. The following day, a raid was staged on Ichang, middle Yangtsze city. Casualties in these raids have not been reported.

Indicating a revival of Chinese aerial activity, eight Japanese airplanes out of a total of 12 were shot down by Chinese planes over Changsha, Hunan provincial capital, in the course of an aerial battle on Feb. 15, according to a *Reuter* dispatch from Chungking. Another dispatch by the same agency reported a Chinese air attack on a concentration of Japanese warships at Wuhu, the date of which was not given. *Kuo Min* gave the date as Feb. 13. One of the Chinese planes, the Chinese agency said, was struck by Japanese anti-aircraft bullets and as it commenced falling the pilot made a desperate power-dive towards a Japanese gunboat. Both plane and ship, it was claimed, "suffered disastrously."

Shanghai-Canton Telegraph Service Resumed This Week

Direct telegraphic service between Shanghai and Canton was reopened Tuesday of this week by the Central China Telecommunication Company, subsidiary of the Central China Development Company, the Japanese press reports.

Charges for a Japanese telegram are 50 sen or 60 cents for the first 15 words, and 10 sen or 12 cents for every additional five letters. One yen or $1.20 will be charged for less than five European words, and 20 sen or 24 cents will be assessed for every word over the 5-word limit. Fifty sen or 60 cents will be charged for every five Chinese characters, with a fee of 10 sen or 12 cents for every additional word.

China Unconquerable

(*Continued from page 388*)

S. Kita, Maj.-Gen. T. Sakai and Vice-Admiral T. Nomura are understood to have been chosen chiefs of the liaison departments at Peking, Houho, and Shanghai, respectively

Siam recently furnished Japan with a large consignment of rice, according to a Chinese report which stated that the cargo was transported to Kiunchow by Japanese warships.

Marshal Wu Pei-fu is going to break his silence again, predicted the Peiping correspondent of the Tokyo *Nichi-Nichi*. Wu, it is said, would again implore peace and announce his assumption of the presidency of the Kaifeng Pacification Commission, but would not leave Peiping. According to the Japanese report, the "pacification forces" already reach the imposing total of 20,000 strong and pacification activities are already under way.

Doihara Plans Units

Undaunted by his repeated failure to win over the recalcitrant aged Wu Pei-fu, Lt.-Gen. Doihara is reported to have determined to set up a "Central Federal Government" in the North, with or without Wu. Based on Japan's traditional policy of "divide and rule" in China, the present plan evolved by Gen. Doihara calls for the establishemnt, under the projected "Federal Government," of four regional units, namely, the "Mongolian Government," the "North China Government," the "Central China Government" and the "South China Government." Under these four groups there will be organized a number of "special municipalities." Thus, according to the Doihara plan, there will be so many rival puppet chiefs that any sort of unity among them would be utterly impossible and the policy of "divide and rule" can be successfully realized.

Gen. Doihara's favorite choice for head for the "Federal Government" is said to be still Wu Pei-fu. Willy-nilly, the job, it is said, will be imposed on him. The Japanese are still hoping that Wang Ching-wei, ousted Kuomintang leader, will emerge from hiding in Hanoi and head the "South China Government." Wang was offered the job some time ago, but his courage failed him.

Some mystification has been caused by the report that Wang Keh-min, head of the Peiping regime, left Peiping some time ago for Tsinan, capital of Shantung. Wang's private office is also said to have been moved to Tsinan, but reason for this alleged move remains unknown.

A Japanese consulate will be opened at Taiyuan, capital of Shansi, on March 1, according to a Tokyo report.

Koh Chun-hsin, "Commissioner of Education" for Shantung, was killed by unknown assassins on Feb. 10. Chang Lin, "President of the Shantung High Court," was also attacked and wounded on the same day.

Fu Siao-en, Shanghai "Mayor," is reported to be running for the post of Nanking "Mayor," recently vacated by Kao Kuan-wu, who displaced Chen Tse-min as "Governor of Kiangsu." "Mayor" Fu probably finds Shanghai too "hot" for his continued presence.

Zang Yu-ching, "Yellow Way Society" chief, is said to have left Shanghai for Dairen.

Prince Sha, Mongolian leader in Shiyuan, now visiting in Chungking, who had been appointed a member of the National Government Council, was formally sworn into office last week.

Liang Han-tsao, formerly Secretary-General of the Legislative Yuan, took up his new office as chief secretary of the Southwestern Provisional Headquarters of the Generalissimo at Kweilin.

Marquis Li Shot and Killed in Shanghai

Marquis Li Kuo-chieh, 58, one of the outstanding pre-Revolution Chinese personalities, a member of former nobility and an ex-jailbird, stepped out of the gates of his home last Tuesday afternoon straight into a hail of gunmen's bullets and died an hour after the shooting.

The assassination of Marquis Li, eldest grandson of the famous Marquis Li Hung-chang, China's viceroy in the Ching Dynasty, occurred in broad daylight at 3.45 p.m. on Sinza Road, near Gordon Road.

Marquis Li's Japanese connections were definitely established by the "Reformed Government" in Nanking, which admitted through its minister of industries, Wang Tze-hui, that the deceased had not only taken an active part in the establishment of the puppet Nanking regime, but had also served as its "unofficial advisor." Said Wang, according to *Domei*; "We are mourning the loss of Mr. Li as deeply as we would the death of a member of the government."

Since 1924 Marquis Li had been devoting most of his time to the China Merchants Steam Navigation Company, which was established by his illustrious grandfather and of which he was chairman of the board of directors for many years.

He was also connected at different times with a number of other industrial enterprises in Shanghai.

Fall Comes in 1932

Marquis Li's fall from the seat of the high and mighty caused a nation-wide scandal in 1932, when he attempted to negotiate a fraudulent loan involving Taels 30,000,000 for the China Merchants Steam Navigation Company with the China Finance Corporation.

By an order of the Chinese Government, he was relieved of all his connections with the company. He was subsequently heavily fined, and sentenced by the Shanghai District Court to a long term of imprisonment. He was still serving his term in the Nantao prison when he was released at the outbreak of local hostilities in August, 1937.

S.M.C. Adopts Salary Committee Proposals

Recommendations for a substantial slashing of the salary increases recently granted to some department heads of the Shanghai Municipal Council, brought in by the special committee of businessmen appointed by the Council to investigate and report on the matter, were adopted last week-end by the Council in special meeting and will become operative March 1. The salary of the Council secretary, G. Godfrey Phillips, is to remain at £2,500 per annum. In the case of other key employees, the decreases range from $1,300 to $900 a month.

A department head drawing a basic wage of $2,250 per month last December, and who drew $4,392 on Jan. 31 as a result of the original increases will draw only $3,057 under the new schedule of pay. A department head drawing the maximum base pay of $3,450 on Dec. 31, and who received a check for $5,670 in January, will henceforth draw $4,715.

Since the recommendations of the special committee call for a "levelling" process whereby other "Class A" employees are to receive bigger increases than those originally granted, the new scheme is going to cost the Settlement ratepayers $20,000 a year more than would have been the case had the original Council schedule been adhered to. The total extra cost will now be $720,600 per annum.

Japanese Actress to Be Set Free by Soviet Police

Interest in the mysterious disappearance of Miss Yoshiko Okada, popular Japanese actress, and her sweetheart, Ryokichi Sugimoto, was revived in Tokyo this week by a report in the *Chugai Shogyo* that the girl was to be released by Soviet authorities in Vladivostok after having been under arrest for several months.

The couple entered Soviet territory at an outpost along the Sakhalin border last year and have been detained since. According to the *Chugai Shogyo*, Miss Okada will be turned over to the Japanese Consul-General at Vladivostok early next month and will be sent back to Japan aboard the *Siberia Maru*. Mr. Sugimoto will remain under detention, the paper said.

On Feb. 16 Japanese authorities released the crew of a Soviet 20-ton fishing boat, which had violated the fishing law by entering the closed Japanese port of Oki Island on Nov. 23 last year.

The skipper of the fishing craft was fined Yen 1,000 by the local court on Jan. 10. The Soviet Embassy paid the fine for the skipper on the condition that the fishing boat be sold and the proceeds be remitted to the Soviet Embassy. The crew of the vessel left Tsuruga immediately by ferry boat for Vladivostok.

First Concentration Camp Established in France

The first concentration camp for "undesirable aliens" has been established by the French authorities in Menda, in the Cevennes, according to a *Transocean* dispatch from Paris. In this camp will be interned such foreigners as are regarded as undesirable elements but who cannot be expelled from France since other countries refuse to admit them.

A first batch of 40 foreigners of this category has already arrived at the Mende concentration camp. This batch includes Spaniards who are on bad terms with both the Nationalist and Republican Spanish authorities, members of the Republican International Brigades and also some Russian nationalists such as Lieutenant Tchongukoff, who fought in Wrangel's army, and Baron Boris Skossyroff, a notorious swindler who paid his bills with uncovered cheques and who claimed that he was pretender to the crown of Andorra.

It is stressed by the French authorities that the Mende concentration camp is not a prison but merely a place of detention for social elements who are to be prevented from doing any further harm.

Terrorist Killings

(*Continued from page 389*)

measures designed to eliminate the causes of unrest at their source.

In a protest filed with the Consular Body and the Shanghai Municipal Council, Mayor Fu Siao-en, head of the puppet Shanghai City Government, urged immediate transfer of the First Special District Court to his administration as a measure "all the more necessary" if an end is to be put to the activities of assassination gangs.

In connection with the killing of Chen Lo, it has definitely been revealed that the Shanghai Municipal Police were not notified of his arrival in Shanghai, although repeatedly the Japanese authorities have been asked to make advance notification of the movements of puppet officials, so that adequate protection may be effordad them.

The *Central Daily News*, Chinese government organ published in Chungking, made the following terse comment on the assassination of Chen Lo: "Before Chen Lo many traitors have met a similar fate, and after Chen Lu—we will wait and see."

3,000 Homesick Japanese Soldiers Stage Mutiny in Hopei Province

(By a Review Correspondent)

HISTORY is filled with examples of the fact that armies whose morale is founded on a Prussianist discipline, rather than upon the belief of each individual soldier in the cause for which he is fighting, never prove a lasting success. In China such an example occurred near Tientsin late in January, 1939. A regiment of homesick and war-weary Japanese rebelled when, instead of getting their promised home leave, they were ordered to reinforce the hard-pressed army in Shansi Province against concerted attacks by Chinese regulars and guerrillas.

The 3,000 Japanese soldiers had experienced months of hard campaigning in Central and South China and their hearts were light when they were told to embark on home leave. For several days they were on the high sea and when the anchor chains of the two transports rattled the men sought to discern the landmarks of some home port. When they discovered that they were lying off Taku, near Tientsin in North China, angry suspicions were aroused. On their sending representatives to inquire, they learnt that their order for Japan-leave had been cancelled and that instead, they were immediately to proceed to Shansi, where reinforcements were urgently needed.

Is He Worried?

Premier Baron Hiranuma

Losing patience, they burst into angry words which soon gave place to blows and shots. The commanders of the two vessels, apprehensive of some such trouble, had previously instructed four destroyers to stand by. When the noice of the fracas was heard, the destroyers gun crews immediately fired a number of rounds over the transports in an endeavor to intimidate the mutineers. Troops on shore, amazed and resentful at this desperate measure, immediately opened fire on the destroyers. It was some time before the mutiny was quelled.

This incident is thought by observers to reveal the inevitable buckling of Japan's iron-clad military system under sustained war strain, the tension of which will not slacken under the new Chinese strategy of nation-wide mobile-front warfare allied with such necessary positional fighting as is being fought to the northwest of Canton. The mechanical efficiency of the Japanese achieved much while it had a cut-and-dried task before it such as the capture of Hankow; but the nervous strain of the present ill-defined and inconclusive warfare is causing its internal weakness to become apparent.

When told it must get to point A or point B, and while supplied with all the weapons and materials required, it showed the headlong inertia of a machine in reaching the points specified. When, however, as at present, it is faced with the quite intangible task of crushing the spirit of a vast people, of defeating omnipresent and elusive mobile armies, it lacks the necessary reserves of tenacity and adaptability.

The average Japanese soldier is now seized at heart with a sense of the China campaign as a nightmarish excavation in shifting sands. His leaders have no concrete explanation of the situation to offer him; they have ceased even to pretend they know the actual scope and limits of the campaign. It is not surprising to hear stories of disaffection in the ranks of the Japanese army such as that which occurred off the coast of Hopei Province in January.

Chungking, February 14, 1939.

Japan Condemned by Asia Episcopalians

Meeting at Hyderabad, India on Dec. 31 last for a ten-day conference, the Methodist Episcopal Church of Southern Asia unanimously adopted a resolution condemning Japanese aggression in China, according to the Rangoon correspondent of the *China Weekly Review*. One hundred and twenty delegates of diverse race and nationality were present, the correspondent writes, and the resolution in question, of which excerpts follow, was proposed by Dr. Stanley Jones:

". . . we register our condemnation of the conquest of Ethiopia by Italy, and of Austria and parts of Czechoslovakia by Germany. But in the case of the Sino-Japanese conflict, we must go further and take such action as is open to us, as the issue is still undecided.

"We are aware of the dangers of propaganda in warping judgment. But in this case propaganda plays small part. The facts speak for themselves. They lead us to say:—

"1. We are convinced that this aggression on the part of Japan upon the sovereign life of China is unwarranted and unjustifiable. It was done in spite of solemn treaties and pacts.

"2. We cannot accept the interpretation that this is a 'holy war' against Communism. The leaders of China were fighting communism and were trying to eradicate it when this war was thrust upon her.

"3. Nor can we accept the contention that China began this conflict. Whatever incident may have preceded open conflict, the cause of this war came out of the fact that Japan was devouring piecemeal the life of China by the organisation of so-called autonomous states in the North, as the method of the complete and final subjugation and domination of the country. Whatever sins China may have committed, among them was not the responsibility for precipitating this conflict. That responsibility must rest upon Japan.

"4. As we face the question of our moral duty in the matter, we are driven to the necessity of registering our protest in some concrete way. This conflict touches us at two points: as idea and as economic fact. As idea we repudiate it and register our conviction that it is an international crime. As economic fact it touches us at the point of trade with Japan. When we trade with Japan under these circumstances we put into her hands the means to carry on this aggression against China. We thus become a part of that invasion.

"We must, therefore, withdraw from the contradiction of morally condemning this war and economically supporting it. We are therefore compelled to take the attitude of non-participation in this war by withdrawing economically as individuals, and by doing all in our power to influence our Government to do the same . . ."

Burma Government Quits After Vote

Climaxing weeks of civil disturbance marked by shootings and wholesale arrests designed to curb the movement for independence from Great Britain, the government of Burma resigned Feb. 16 following passage in the House of Representatives of a vote of non-confidence. Sir Archibald D. Cochrane, the Governor, *Reuter* reported from Rangoon, immediately proceeded to form a new government.

U. Pu has been appointed Prime Minister of Burma in succession to Ba Maw, according to a *Reuter* report from Rangoon stating that a new coalition cabinet has been formed. The new Prime Minister also holds the post of Minister of Home Affairs and the Ministers of Revenue and Finance held similar offices in the previous cabinet.

In the debate on the "no confidence" vote, the oppositionists, apparently vying with the "government" in displaying loyalty to the British Empire, accused the Government of "failing to maintain law and order." After passage of the vote by 70 votes to 37, the *Reuter* agency said, popular anti-Government demonstrations took place in Rangoon. Black flags were flown on houses and motor cars, bearing the words "Down With the Coalition Government."

A *Transocean* message from Rangoon Feb. 17 declared striking students to be the backbone of the revolutionary movement against Britain. Students, the message said, expressed determination to continue their campaign until the present Constitution, whereby Britain rules Burma, is abolished.

Nippon Goods Boycotted

Writing under date Feb. 8, the *Review's* Rangoon correspondent reports a boycott of Japanese goods by Chinese merchants in the Burma capital. All Chinese-owned shops, he says, have liquidated their stocks of Nipponese manufactures and have agreed to label as a "traitor" any Chinese merchant who henceforth handles articles made in Japan. The Burman-Japanese Association, he also reports, is feverishly promoting a boycott of British goods with a view to creating a market in Burma for Japanese products. The Association, he says, is a "puppet organization" in the hands of Japan.

According to the same source, not less than 500,000 tons of munitions and military supplies have reached Rangoon for transhipment to China. Stored temporarily in government godowns and the "flats" of the Irrawaddy Flotilla Company, these supplies are moving into China by way of the Burma Railway and the Irrawaddy River.

The correspondent also writes that an agreement is reported to have been reached between the Southwestern Transportation Company (Chinese) and the Burma Oil Company for supplies of oil and gasoline to China. Large quantities of oil, supplied in terms of the agreement, are now assembled at Lashio and Muse, on the Burma-China border.

Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.

February 4

Eighteen Japanese bombers attempted to raid Chungking, but were intercepted at Wanhsien by Chinese pursuit planes and driven back. The raiders dropped over 100 bombs on the main streets of Wanhsien, causing over 1,000 casualties.

Twenty-seven other Japanese planes bombed Kweiyang, capital of Kweichow; casualties believed heavy.

Heavy artillery duel between Chinese and Japanese forces across Yellow River continuing in vicinity of Tungkwan and Hotsin. No fresh developments on Shansi front.

Chinese planes reconnoitered over Japanese lines along Peiping-Hankow Railway and bombed Japanese concentrations there.

Assistance of third Powers for settling the China hostilities unnecessary, Hachiro Arita, Japanese Foreign Minister, told House of Representatives. Arita rejected "help or sympathy" of foreign governments.

Japanese Residents' Corporation in Hongkew seek to make Japanese Yen "legal tender" in Hongkew.

Altogether 6,951 Japanese left Tokyo for various parts of China from August to November in 1938, according to Tokyo Metropolitan Police report.

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February 5

Over 500 persons were killed or wounded and many houses destroyed by fire as result of yesterday's Japanese air raid on Kweiyang, capital of Kweichow. Among the buildings demolished were provincial hospital, Commercial Press, Chunghua Book Company and offices of several newspapers in Kweiyang. Thousands of residents fled in bitter cold to near-by hills to escape the conflagration which broke out after the bombing.

Chinese artillery units in Shensi shell Japanese positions on east bank of Yellow River. Japanese troops concentrated at Hanyang, near Fenglintu, are attempting to cross.

Kingshan, in west Hupeh, recaptured by Chinese for second time; the Japanese retreating towards Tsaoshih.

Japanese garrison at Weihsien, on Kiaochow-Tsinan Railway in Shantung, attacked by guerillas on Jan. 27, according to report received at Chungking. Besides killing a large number of Japanese soldiers at the railway station, the guerillas entered the city and took several captives. Japanese troop train dynamited by guerillas near Shangchwang station; 30 Japanese said killed.

Some 70 Japanese to join Chinese Customs at Shanghai, it was announced in Japanese House of Representatives.

Test-survey flight for new direct China to London air line via Imperial Airways planned on Feb. 9.

The supplementary budgets for Japanese Army and Navy for financial year starting April 1 expected to exceed six billion yen, equivalent to about £350,000,000. The Army expenditures alone, including Ordinary, Emergency and Extraordinary appropriations, will total roughly 5,400 million yen—nearly £320,000,000—according to figures presented by the War Office to the Ministry of Finance for approval. The Army total was 3,821 million yen, or £225,000,000, for the current financial year.

Since July, 1937, China purchased US$14,357,277 worth of war material from the United States as against US$10,922,693 for Japan, according to Cordell Hull, Secretary of State.

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February 6

Chinese aircraft yesterday raided Japanese air base at Yuchen, in south Shansi, destroying over 40 Japanese planes on the field and also ground structures, according to report received at Chungking.

Business section of Kweiyang, capital of Kweichow, completely wiped out as result of Japanese airbombing of that city on Feb. 4, according to message received at Chungking from E. H. Scott, secretary of International Red Cross Committee, which at present has its headquarters at Kweiyang.

Chinese bases in northwestern Chekiang, including the districts of Linan, Sinteng and Chuki, heavily bombed by Japanese war planes yesterday, Japanese report claimed.

Rumors that Wang Ching-wei, expelled Kuomintang leader, may join one of Japanese-sponsored regimes, said unfounded, **Reuter** reported from Chungking. Wang stated arranging with Central Authorities for a trip to Europe.

Chien Hua, member of Japanese-controlled Press Censorship Bureau in Shanghai and reporter on **Shun Pao,** shot and killed by unidentified gunman in Shanghai. Chien spoke Japanese and had close Japanese connections.

Despite the presence of foreign residents at Kuling, Kiangsi mountain resort, Japanese army said shelling the area at an average of 50 shells a day, according to **Reuter** report from Chungking.

"Japan's policy in China is immutable," declared War Minister Lt.-Gen. S. Itagaki in the Diet. Japanese troops said planning long stay in China.

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February 7

Following heavy casualties suffered in recent Japanese air raids on Kweiyang and Wanhsien, Chungking authorities are redoubling their efforts to evacuate civilians from city; evacuation to be made compulsory.

Gen. Chiang Kai-shek, in circular order, urged all able-bodied members of families of government and Kuomintang officials to enlist in the Army in order to set an example to the people.

Two puppet officials, Chow Chi-tang, "director of Kiangsu-Chekiang Joss Money Tax Collection Bureau" and Koo Ping-tsung, pro-Japanese agent, assassinated in Shanghai. Chow shot dead on Gordon Road, while Koo met death on Nanking Road. No arrests made in either case.

One Japanese Brigadier-Commander and a number of Japanese soldiers killed south of Yusiang, on southern section of Tungpu Railway in Shansi on Feb. 4, according to Chinese report. Over 100 Japanese troops were killed on Feb. 3, when Chinese guerillas launched night attack on Siahsien, also on Tungpu Railway.

Campus of Chekiang University at Yishan, north Kwangsi, badly damaged during Japanese air raid on Jan. 1; there were, however, no casualties among students or faculty.

The Japanese are fortifying Hangchow, Chekiang capital, as more than 30,000 Chinese troops have crossed Chientang River during the past few weeks, staging surprise attacks on Japanese garrisons in various parts of the city. Cutting of Shanghai-Hangchow Railway feared; Chinese guerillas active in Kashing, Huchow and other Chekiang towns.

Construction of Yunnan-Burma Railway to be begun soon; tenders for construction of tunnels and bridges invited, according to announcements at Chungking.

Letter signed by 482 Chinese citizens in Tientsin presented to Sir Archibald Clark-Kerr, British ambassador, now visiting in Tientsin declaring that Chinese people in North China are loyal to National Government and Gen. Chiang Kai-shek and asking Great Britain to help China in order to uphold justice and also to protect British interests in the Far East.

More than 1,000 destitute children in Shanghai were taken care of last year by the National Child Welfare Association of China. Fourteen of them were placed in private homes while 537 were reclaimed by their parents and relatives, according to Andrew V. Wu, Secretary of standing committee of the Association.

Shanghai considered as guerilla area by order of Chungking; 13 kinds of native products prohibited to be transported to Shanghai without special permit from Foreign Trade Commission.

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February 8

Deadline for evacuation of foreign residents in Kuling, Kiangsi mountain resort, set for Feb. 10, postponed by the Japanese authorities at request of British Ambassador to Japan, Sir Robert Craigie. The Japanese army commanders announced through their spokesman in Shanghai that they reserve freedom of action as to their military operations against Chinese guerillas in the vicinity of the mountain.

Oxford University voted £100 as contribution to the fund for replacing libraries of Chinese universities destroyed during Sino-Japanese war.

Traffic on Peiping-Tientsin Railway interrupted as result of blowing up of a bridge by Chinese guerillas last month.

Personnel of standing committee of newly-created Supreme National Defence Council announced at Chungking. With Gen. Chiang Kai-shek as chairman, the committee includes presidents of the five Yuans of National Government, the foreign minister, the chief-of-staff and deputy chief-of-staff.

Japanese authorities at Canton threaten severe punishment to anyone, Chinese or foreign, exporting silver or silver articles from the city.

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February 9

There could be no direct peace negotiations between China and Japan and, therefore, only an international conference on the Far East, in the nature of a second Washington Conference, would be likely to produce a settlement of present Sino-Japanese conflict. This statement was allegedly made by Chinese official circles in Chungking yesterday, according to **Reuter** message. These circles believed that Japan would like to terminate the present hostilities, but that she would insist on victor's terms, which China could never accept. It was predicted that Japan would make another big push and would then be prepared to discuss peace.

Unconfirmed report from Hongkong stated foreign banks there were ready to grant a loan of HK$60,000,000 to China.

Gen. Chiang Kai-shek appealed to the nation for contributions towards making winter uniforms for Chinese soldiers at the front.

Squadron of Chinese planes bombed Japanese naval concentration and also Japanese airdrome at Santsao Island, seven miles from Macao, on Feb. 7, according to Chungking report.

February 10

Hainan Island invaded by combined force of Japanese army and navy units,

which effected landing on the island at dawn. "Military necessity" given as reason for attack.

Chinese authorities at Chungking not surprised by Japanese landing on Hainan, but discounted the Japanese pretext of "military necessity," pointing out that possession of the island would not affect the campaign on the mainland of China. The importance of the landing, Chinese spokesman pointed out, lay in the island's "enormous strategic value," commanding as it did Indo-China ports, cutting off Hongkong from Singapore and threatening the latter point. Rich economic resources also described as important incentive for occupation.

Chinese 8th Route Army and New 4th Army extremely active in Hopei, Kiangsu and Anhwei provinces. Units of the 8th Route Army under command of Gen. Ho Lung attacked Jenchiu, east of Paoting and captured the city on New Year's Day. Units of the New 4th Army under command of Gen. Yeh Ting active along Shanghai-Nanking and Wuhu-Hsuanchen highways. Tanyang, east of Chinking on Nanking-Shanghai Railway, attacked and entered by guerillas on Feb. 4.

Approximately 200,000 Chinese guerillas are operating in Japanese occupied areas in China, according to Japanese military spokesman at Shanghai.

Japanese House of Peers passed bill providing for abolition of extraterritorial rights in "Manchukuo."

*
**

February 11

Charles Arsene-Henry, French Ambassador to Japan, instructed to ask Japanese Government for explanation regarding the landing of Japanese troops on Hainan Island. Explanation also demanded regarding the extent and duration of occupation of the island.

Chinese papers at Chungking view Japanese landing at Hainan as proof of Japan's failure on Chinese mainland, where the Japanese are unable to make any headway because of strong Chinese resistance. Occupation of Hainan said having no military value from the viewpoint of Japanese operations on the mainland. Japan's growing friction with France and Britain seen, as occupation of Hainan constitutes serious threat to Indo-China, Singapore and the Philippines.

Political observes at Washington express view that Japanese occupation of Hainan is a political gesture and a feeler aiming to find out the exact firmness of Anglo-French position in the Far East.

Japanese claim complete control of the two principal towns of Hainan Island, namely, Kiungchow (seat of the island government) and Hoihow (chief port).

Hwainan Railway Reopened By Japanese Military

Restored by Japanese Army engineers after being subjected to an "exemplary destruction" by retreating Chinese troops last year, the 214-kilometer Hwainan Railway, extending from Yukikow, on the north bank of the Yangtsze almost opposite Wuhu, to the Hwainan coal mines, 180 kilometers north of Hofei, was opened to public use on Feb. 10, a local Japanese Army spokesman announced.

The railway had been used by the Japanese military since August last year, the spokesman said. Restoration work, he asserted, included the relaying of a roadbed which had been systematically torn up by the Chinese. The line was opened to the public, the spokesman said, because of the recent increase in population along the railway.

Exclusion of Shanghai from 'Yen Bloc' Favored

Financial and trading circles in Tokyo are in favor of excluding the Shanghai market from the "yen bloc" in connection with exchange, *Domei* reported Feb. 6. Financial circles maintained that this was a necessary fundamental measute to bring about a revival of trade through Shanghai.

The Japanese Government curbed exports to Central China through Shanghai, excepting special goods for military use, in view of the fact that such exports did not result in the acquisition of foreign currencies by Japanese, as prices of goods exported to Central China were paid in Bank of Japan notes, which have been widely circulated since the spread of hostilities.

Financial circles expressed the opinion that restrictions should be removed from exports to Shanghai of goods which are paid for in foreign currency.

Shanghai's exclusion from the "yen bloc," urged by Mr. Toyoichi Toyoda, Minseito, before a budgetary sub-committee in the House of Representatives, was rejected by a Government spokesman on Feb. 7. The Government representative, however, agreed to follow Mr. Toyoda's suggestion for a lifting of existing restrictions against exports to "yen bloc" countries. This, the spokesman said, would be effected within the limit of not compromising the balance of Japan's international payments.

Japanese yen will become "legal tender" in Hongkew after April, if a plan introduced by Mr. Masusaburo Amano, president of the Japanese Residents' Corporation, is passed by the Council of the Corporation, according to the *Tairiku Shimpo*. Mr. Amano declared that the adoption of the Japanese yen in the area north of Soochow Creek was "an indispensable factor for the reconstruction and prosperity of Shanghai," according to the daily.

Chungking Issues Warning Against Counterfeit Notes

A warning has been broadcast against counterfeit Chinese legal tender notes, which have been printed in a "certain foreign country" and put into circulation in Shanghai and other centers, says a *Kuo Min* report from Chungking.

These counterfeits are cleverly printed imitations of the legal tender notes. However, it is pointed out, any experienced merchant can easily detect the difference between these counterfeits and the genuine legal tender notes.

For the protection of the public, it is learnt that the Ministry of Finance will issue a detailed statement shortly showing the various differences between the counterfeits and the genuine notes. Copies of this statement will be furnished to all banks, chambers of commerce, and money exchanges.

Large quantities of counterfeit notes of the Farmers Bank have been printed by Japanese, Koreans and Formosans in Hongkew and are being sent to the foreign concessions of Shanghai for circulation, according to the *Shun Pao*, which declares the Japanese are intent on undermining the Chinese currency.

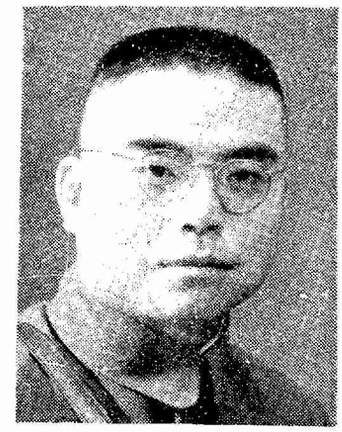
Cotton Mill Reconstruction in Tsingtao Speeded Up

Measures for the rehabilitation of Tsingtao cotton mills were spurred last week when Japanese mill owners decided to put 500,000 more spindles into operation. During the first phase of reconstruction of the damaged mills 390,000 spindles were installed, *Domei*, said.

Representatives of the Japanese Mill Owners Association in China discussed at Osaka detailed plans for the second period of reconstruction. Three hundred thousand spindles will be supplied by mills in Japan, 150,000 old spindles in Tsingtao factories will be repaired and 50,000 new ones will be bought by the Tsingtao mill owners.

Who's Who in China

T. C. Tsao, electrical engineer; born in Shanghai, 1901; B.S. in Electrical Engineering, Chiaotung University, Shanghai, 1924; elected member of Phi Tau Phi Society of Honor on account of excellent scholarship, since 1924; practising engineer, Ministry of Communications 1924-25; sent by the Ministry to Metropolitan Vickers Electrical Company, Manchester, England, to receive practical training; received the "Electrical Engineer" certificate from the Company, summer 1927; training engineer in the Telephone Engineering Department of Siemens & Halske A.G. and Telefunken



趙 曾 珏
T. C. Tsao (Chao Cheng-yu)

Wireless Co., Berlin, Aug. 1927-July 1928; Harvard Graduate School for further specialization in Electrical Communication Engineering under Prof. A. G. Kennelly; M.S. of Harvard University in Electrical Communications, 1929; Associate Professor of Electrical Engineering, National University of Chekiang, Hangchow, 1929-31; Head of Electrical Engineering Department, College of Engineering, National University of Chekiang, 1931-32; Managing-Director and Chief Engineer of Telephone Administration of Chekiang Provincial Government (which runs the automatic telephone exchange in Hangchow area and the toll lines for the whole province together with other city exchanges) since Aug. 1932; member, Planning Committee, National Commission of Reconstruction, Nanking, Oct. 1935-Oct. 1937; Secretary-General of Department of Reconstruction, Chekiang Provincial Government, Feb.-Dec. 1937; Director of East-Chekiang Electric Power Station since Feb., 1938; Director of Chekiang Handcraft Bureau, since July, 1938; consulting engineer for Electrical Engineering to Chekiang-Kiangsi Railway, since May, 1936; author of "Engineering and Engineers" published by Chung Hwa Book Company; editor of *The Electrical Engineering Journal* of the Chinese Institute of Electrical Engineers; associate member of the Institute of Electrical Engineers; associate member of the Institute of Radio Engineers; associate member of the American Institution of Electrical Engineers; address: c/o Department of Reconstruction, Chekiang Provincial Government, Kinhwa, Chekiang.

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SHANGHAI OFFICE:

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Ningpo	WUCHOW	*Tienshui*	*Nanpu*
Chuhsien	Kweilin	Kweiyang	*Mienyang*
AMOY	TIENTSIN	*Panhsien*	*Loshan*
Foochow.	Peiping	KUNMING	*Kwangyuan*
Tsinkiang	NANCHANG	*Mengtsz*	*Santai*
Nanping	*Kian*	CHUNGKING	*ICHANG*
Chienou	*Linchwan*	Chengtu	*Hankow*
Pucheng	Chengchow	*Wanhsien*	Changsha
Santuau	Kaifeng (Nanyang)	Ipin	Changteh
Kulangsu	*LOYANG*	Yaan	*Hengyang*
CANTON	Sian	*Kiangtsing*	*Lingling*

FOREIGN CORRESPONDENTS:

NEW YORK, LONDON, BERLIN, PARIS, GENEVA, OSAKA AND HONGKONG

Men and Events

Eric Mayell, news cameraman, arrived in Shanghai this week from Hongkong.

*

Japanese police have banned the well known Shakespearean play Hamlet on the ground that Mr. Hamlet's "dangerous thoughts are likely to cause disrespect for royalty."

*

The Japanese have announced plans for rebuilding their clubhouse on Boone Road in the Hongkew section. They will spend more than Y. 100,000 in reconstructing the old premises and on additions, the object being to increase the membership by inviting foreign and Chinese members.

*

Wm. Henry Chamberlin, correspondent for the *Christian Science Monitor*, was in Shanghai this week on his return to Tokyo from a trip to Indo-China and Kunming. After a few days in Tokyo, Mr. Chamberlin will proceed to Paris where he will be stationed in future.

*

Dr. Landman, member of the faculty of the College of the City of New York, is in Shanghai at the Park Hotel. After spending several weeks in Manila, Prof. Landman made an extensive trip of investigation through Manchukuo and North China.

*

Marvin Maas, Republican congressman from Minnesota and a member of the House of Representatives Naval Affairs Committee, has introduced a bill claiming American ownership of Wrangel Island and providing for the establishment of a U. S. Naval base there. Wrangel is a large island, now occupied by the U.S.S.R., which is located to the northwest of Bering Strait. Representative Maas said that Wrangel Island was an American possession and should be part of the U. S. defense scheme in the Pacific.

*

The traditional Chinese New Year, which began on Sunday, Feb. 19, will be known as the "Year of the Rabbit," according to the geomancers. Last year was known as the "Year of the Dragon." While Shanghai streets were packed with shoppers all day and late in the evening of Feb. 18, the festivities were carried out in much quieter manner than on previous non-wartime occasions. This year the Settlement authorities prohibited the use of fire-crackers. The Mohammedan New Year was also observed this week, beginning with services in the various Mosques on Tuesday, Feb. 21.

*

Mikhail Gorin, manager on the U. S. Pacific Coast, with offices in Los Angeles, for the Soviet Intourist Bureau has pleaded innocent to indictments charging conspiracy to violate the peacetime espionage act. Trial was scheduled for this week, but thus far no reports have been received here regarding new developments. Mrs. Gorin was also charged along with her husband and likewise has pleaded not guilty. Another Russian named Hafis Salich, who is an American citizen and former agent of U. S. naval intelligence service, who was arrested at the same time also pleaded innocent, but owing to his inability to raise a bond of U.S. $25,000 he is still in jail. Mr. and Mrs. Gorin were released on bonds provided by the Soviet Government. They were charged with stealing information from U. S. Naval files, much of which had been obtained by U. S. Naval intelligence officers in the Far East. (See Page 262 issue of The Review for Jan. 28).

The China National Aviation Corporation, of which W. L. Bond is operations manager, has been granted permission to operate an air-mail and passenger service between Kunming (Yunnanfu) and Rangoon, Burma. The announcement was made in Washington, D. C. on Feb. 17.

*

A Russian named Rostilav N. Kovalchuk, formerly employed as an armed guard on the Butterfield and Swire coastal steamer Shenking, was convicted and sentenced to two and a half years in jail, on a charge of transporting Japanese drugs from Tientsin to Shanghai. Kovalchuk, who was only 19 years of age, was sentenced in the Second Special District Court here on Feb. 18.

*

Jackie Muller, whose name was Jackie Bluesteyn when he arrived here sometime ago as a refugee from Germany, was sentenced to jail for three months by the First District Court last week on a charge of stealing a camera, a suit of clothes, a radio, and U.S.$175. The money and articles were stolen from a shipmate on the Peter Maersk where Muller was employed.

*

The U.S. Naval Transport Gold Star, which normally serves the U.S. Marine and Naval units stationed on Guam Island, and makes regular trips between Guam and Nagasaki, arrived at Shanghai on Feb. 19 and is scheduled to remain here for two or three weeks prior to proceeding to Manila.

*

Owing to political unrest among girl students in Japan, the Tokyo authorities (*Asahi*) have decided to publish a newspaper which will be designed to instruct young women in modern political and social developments in Japan and the outside world. The newspaper will be supervised by "four influential men," who will serve as advisers to the editor of the publication.

*

American insurance companies which carried policies aggregating Yen 1,000,000 on the life of a Japanese silk millionaire named Hisashi Fujimura, who disappeared from an Atlantic liner in 1931, will be forced to pay the claim, according a dispatch from New York. Mr. Fujimura was a passenger on the Belgenland and since it was believed he had committed suicide, the insurance companies refused to pay the claim. Recently, as a result of litigation which produced no evidence supporting the suicide theory, the companies decided to pay. Mr. Fujimura's widow resides in Japan.

*

A report by *Reuters* from Prague, Czechoslovakia, Feb. 18, said that the Japanese military authorities had placed a "considerable order" with factories which manufacture the "Bren" rapid-fire guns. Orders were placed by a Japanese Mission now in Czechoslovakia. Although not mentioned in the report, the munitions factories were part of the famous Skoda Works, which recently came under German control as a result of the Munich deal, (see report on Page 355 of *The Riview* for Feb. 18), China previously purchased considerable arms and munitions from Skoda Works, also including "Bren" rifles used in the Shanghai campaign. At that time Skoda was controlled by the French Schneider-Creusot armament trust, which lost out as a result of the Sudenten deal. The use of Bren guns by Chinese troops defending the Pootung side of the Whangpoo was said to have been largely responsible for the inability of the Japanese to effect a landing on that side of the river for several weeks after hostilities began here.

Hallet Abend, correspondent for *The New York Times*, went to Hongkong last week.

*

C. J. Chancellor, general manager of *Reuters*, returned to Shanghai last week from a business trip to Japan.

*

Mrs. Hans Melchers, whose husband is manager of the German *Transocean* news service, departed for her home in England on vacation.

*

Major David Dean Barrett, Assistant Military Attache, attached to the U.S. Embassy, was in Shanghai for a few days last week enroute to Chungking from Peiping.

*

Karl B. Hill, director of the Hill Insurance Agency, went to the United States on a business trip last week. He was accompanied by Mrs. Hill.

*

Tadashi Masatani, formerly first secretary of Japanese Embassy in Berlin, has been appointed Japanese Consul at Hoihow, Hainan Island. He will succeed Tadahisa Matsudaira, vice-consul, who was sent there immediately after the occupation.

*

Henri Jaspar, former Belgian Premier, died suddenly on Feb. 15, following an abdominal operation. He was 68 years of age. Between the years 1926 and 1932 Jaspar was head of four different Belgian governments, apart from holding ministerial posts in other Belgian cabinets.

*

According to the *Asahi* (Feb. 8) a delegation known as the "Goodwill Pilgrims," will arrive in Japan on the Tatsuta Maru which is scheduled to sail from San Francisco on Sept. 25. The "Goodwill Pilgrims," according to the report, will consist of 500 persons who will "trace the past glory of the American Christian Church in Japan."

*

A Chinese-American Cultural Association was organized in Chungking on Feb. 22, Washington's Birthday, those participating in the inauguration being Dr. H. H. Kung, President of the Executive Yuan; Chen Li-fu, Minister of Education and W. R. Peck, who is in charge of the U.S. Embassy in the absence of Ambassador Nelson T. Johnson. Cultural associations with Britain, Soviet, German and Polish residents of Chungking have also been formed.

*

Frank Poletti, Italian subject, who is Postal Commissioner in Peiping, was released by Chinese guerillas on Feb. 16. Mr. Poletti was kidnapped on Jan. 10. together with a Russian woman and three Chinese servants. The party was kidnapped within 25 miles of Peiping within a short distance of a Japanese garrison. The captors released one of the servants with a demand for $30,000 ransom. Friends paid $10,000 after one week of the capture, but the sum was returned to Mr. Poletti by the guerillas. The Chinese papers claimed Poletti's release was ordered by the National Government at Chungking.

*

According to a statement issued by the Japanese Foreign Office on Feb. 18, three groups of visitors from British India are expected in Japan this year. The first group, consisting of 20 well known residents of Bombay are scheduled to arrive in Nagasaki on April 7. They will remain in Japan for a month and will be followed by another group on May 6 which will consist of 80 Bombay businessmen and bankers. A third group was expected later in the year. A touring party consisting of more than 500 Filipinos, including 40 students, is also scheduled to visit Japan during the spring.

Hin Wong, well known Chinese newspaperman and teacher of journalism, died in Hongkong on Wednesday, Feb. 15. He was 41 years of age and is survived by his wife and several children, one of whom, a son, is engaged in correspondence work at Chungking. Mr. Wong, who was Cantonese, was born in Honolulu and was graduated from Oahu College in 1907. He later studied at Columbia University, New York, and at the School of Journalism, University of Missouri. Upon returning to China he served with the *Associated Press, Reuters, Chicago Daily News*, and in recent years was a frequent contributor to *The China Weekly Review*. For a considerable time he was teacher of journalism and director of the Department of Journalism at Yenching University, Peiping.

*

The Federal Maritime Commission may switch its agency arrangement for the States Steamship Line in the Far East from William Hunt and Company to the British steamship concern, Moller Company, Ltd., according to *United Press* report from Washington on Feb. 19. It was stated that the present agency arrangement would terminate on March 1, the reason for the change being based on the unusual allegation that the Hunt Company was "*persona non grata*" to the Japanese due to the Hunt Company's purchase of the ships of the China Merchants Steamship Company and its wharfage properties. R. T. McDonnell, local representative of the Hunt Company, who is now in Washington, characterized the report as "preposterous," and charged that the Maritime Commission was "kowtowing to the Japanese."

*

Judge Paul Myron Linebarger, for many years adviser to the late Dr. Sun Yat-sen and later a legal adviser of the National Government, died suddenly in Washington, D. C., on Feb. 20 at the age of 68-years. Mr. Linebarger was born at Warren, Illinois and received his education at Naperville College and Lake Forest University, following which he studied in Paris and at Heidelberg. After practicing law at Chicago, he enlisted in the 1st Cavalry and served in the Spanish-American War, following which he served as U. S. Judge for the 7th Philippine District from 1901 to 1907. He was the author of an extensive list of books, most of them concerned with the late Dr. Sun Yat-sen and the early days of the Republican Government. In recent years he has resided in Washington. He is survived by two children, Paul Myron, Jr., and Wayne Wentworth.

Several hundred members of the American Community were guests of C. E. Gauss, Consul-General, at a Washington Birthday Reception at the Columbia Country Club on Wednesday, Feb. 22. Those in the receiving line, aside from Mr. Gauss, were Admiral and Mrs. H. E. Yarnell and Judge and Mrs. Milton J. Helmick.

Tung Wen Students to Inspect Central China

The Japanese military authorities who control the local Japanese Tung Wen College, have announced that the students will spend their summer vacations this year in conducting "research expeditions" in the Wuhan area. The Japanese students in the institution, who are brought here from various parts of Japan for special training, will be divided into 35 sections and will operate from headquarters in Wuhan, Tayeh and Yochow. They will study geographical characteristics, natural resources and economic and commercial prospects for Japanese enterprise.

Tung Wen College, long designated by the Chinese as the Japanese "spy" college, is now occupying the premises of the well known Chinese engineering institution, Chiaotung University.

Legal Complications Over Sian Contract

Difficulties involved in the construction of the new waterworks at Sian, capital of Shensi province, were aired in the U. S. Court on Feb. 9 when a Chinese contracting firm, Poan Yung-foo, brought suit against the China Foreign Trade Corporation for three sums totalling $39,000. Work apparently started in 1936 and, according to the testimony, has not yet been completed due to delay in delivering materials. Witnesses testified that although permits to ship materials had been granted, it was impossible to obtain freight cars from the Shanghai-Nanking Railway "two or three days before Aug. 13, 1937," date of the outbreak of the war. Materials involved in the controversy were cement and pipe. The case was adjourned by Judge Milton J. Helmick until March 1.

80 Foreign Aviators Said Arrived in Yunnan

More than 80 foreign aviators arrived in Yunnan and Kwangsi recently by way of Hongkong to join the Chinese air force, according to a *Domei* report. Most of these foreign aviators are of American and Soviet nationalities, the report said, adding that with the exception of a few who will serve as aviation instructors, the aviators will be employed by the Chinese to fly combat planes.

Japanese Wounded in Peruvian Rebellion

A Japanese, said to have been a civilian, was wounded in the course of an attempted coup to overthrow the Government of Peru on Feb. 19, according to dispatches from Lima. The coup was said to have been thwarted as a result of prompt action by the Palace guards who ordered the troops to fire on insurgents who demanded the surrender of the Palace. Later the President, Gen. Oscar R. Benavides, made a triumphal entry into the capital. Four persons were killed.

Beauty Secret Revealed

In Tiny Drop of Girl's Blood!

Too pale and too thin to be called beautiful (she weighed only 91½ lbs.)—a girl recently got in touch with an authority who suggested a month's treatment. "First of all," said he, "we must test your blood." So he placed a tiny drop of her blood under his microscope. The test showed that the girl was anaemic. That is, her blood was low in red corpuscles. And to make matters worse these corpuscles were low in haemoglobin or iron-nutriment. No wonder that, besides being underweight, she had no colour and was actually in a run-down condition.

Treatment Produced Happy Results

Having found out the condition of the girl's blood, her advisor instructed her to take two of Dr. Williams' Pink Pills (called pink because of their pink sugar coating) three times a day for a month and then return for another blood test. And what a radiantly different girl came back in 30 days! She had gained 9 pounds and the condition of her blood was so vastly improved that her advisor was astonished. Her complexion glowed with health. In the words of the authority, "Her face had rounded out and she was positively pretty."

Use This Tested Remedy Yourself

Your mirror and your feelings can tell you if your blood is thin and pale. It is surprising how many persons there are who are afflicted in this way. But—as the experience of the girl mentioned above proves—there is no need to endure such a condition. If you are run-down, anaemic, weak, thin-blooded, Dr. Williams' Pink Pills will definitely help you to regain health. They do this by increasing the number of red corpuscles and the amount of iron in your blood. This gives you more vigour—you feel stronger, appetite improves; work and play become more interesting to you—in fact, by raising the tone of the system, Dr. Williams' Pink Pills give you a new outlook on life.

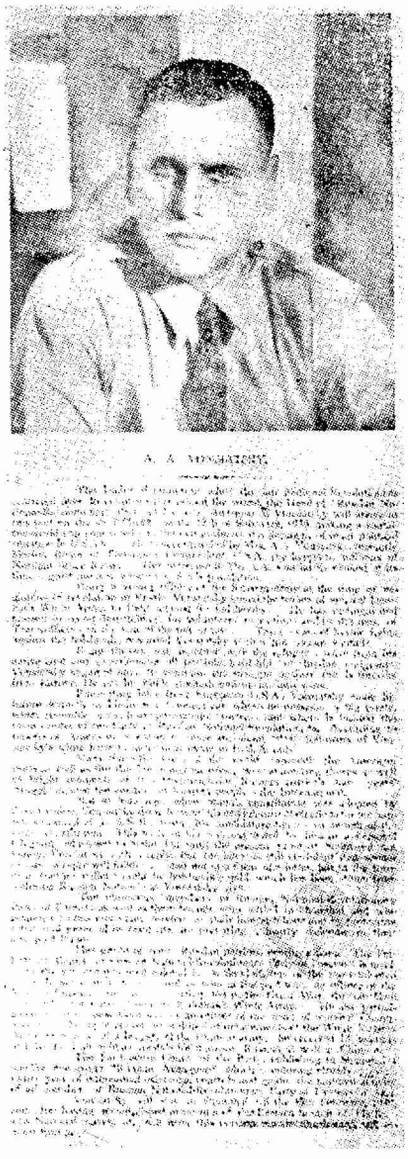
Secure for yourself this tested remedy. Take it for 30 days. Your feelings will definitely register the gain you have made and you will realize that by building up the blood with this fine old preparation you are adopting one of the surest ways of recovering health and vitality. Obtainable at chemists.

87-457

Fascist Vonsiatsky Describes His Aims

An equivocal disclaimer of any intention to attune his organization to "Japan's ambitions towards hegemony in the Far East" was made by A. A. Vonsiatsky, leader of the "Russian Revolutionary Party of Fascists" in the course of an interview with the press at the Park Hotel on Thursday of last week. Vonsiatsky arrived in Shanghai on the American liner *President Taft* to get in touch with his local followers in the course of the second globe-girdling tour which he has undertaken in recent years. He was accompanied by his wife,

Russian Fascist



the former Marion Ream of Thompson, Connecticut, where the Vonsiatskys live in grand style on Mrs. Vonsiatsky's fortune.

Vonsiatsky, who is a naturalized American citizen, told the press representatives that "the first aim of his party was to dislodge the Stalin government." After the adoption of the "Stalin Constitution" in Russia, Vonsiatsky said he put forward his candidat ture for election to the Soviet Supreme Council by way of a telegram to Stalin. The latter, however, did not reply, but Vonsiatsky is confident that sooner or later a reply will come—"not in the form of a letter, but in the form of a traitor's bullet bought by Bolshevik gold stolen from the suffering Russian nation."

At the time of his arrival here, Vonsiatsky's followers put out a pompous, vainglorious statement in the form of a leaflet containing an outline of his life, the purposes of his movement, and a picture of himself. We reproduce it here. He announced that he would remain in Shanghai until Feb. 18, when he would leave for Europe "after having accomplished inspection of the Far-Eastern branch of his Russian national movement." How many followers he has in Shanghai he did not say, but his handbill, quoting "reports of American newspapers," claimed 50,000 in the United States.

Vonsiatsky's ideas, and his propaganda, are on all fours with the ideas and propaganda of the fascist states and of Japan. But the Japanese, he complained, "have never given any assurance on the status of Russians in the Far East, nor have they ever given any assurance that they would not invade Russian soil," adding in a thunderous voice the statement: "Russia belongs to the Russians, and it is the aim of our organization to return Russia to a free people."

In Manchukuo, he revealed, his organization had been banned, and he therefore did not intend to go there. In 1934 he was in Harbin on an organization tour. His pocket was picked while he was addressing his supporters, the thief getting away with about U.S.$600.

Iron From Hanyang Works Reported Sent to Japan

Machines of the Hanyang Iron Works in Hanyang, one of the triple Wuhan cities, have been removed by the Japanese military authorities and sent to Japan as scrap-iron for the manufacture of munitions, according to reports received in Chungking. Several thousand tons of iron ore, stored in Wuchang, Hankow and Hanyang, have also been transported to Japan for the same purpose.

Removal of iron lamp posts, railings, benches and manhole covers from streets and parks, will mark another step in Japan's drive for the collection of scrap iron as a result of a decision announced by the Tokyo government last week. Simultaneously, government offices have consigned to the scrap heap all ash-trays and braziers made of iron. All collections will be handled by a Scrap-Iron Control Company, a semi-official concern. Iron thus collected and scrapped by the Ministry of Communications alone was expected to total 6,225 metric tons.

Moscow Abandons German Communists to Their Fate

Attention has been drawn by the Paris correspondent of the *Manchester Guardian* to the tragic plight of German Communists in Czechoslovakia, whose liberties—and probably their lives—are endangered by the Nazification of that country following the Munich Agreement of last September.

Despite years of service to the Moscow government, especially since their flight to Czechoslovakia following Hitler's assumption of power in Germany, the Kremlin has abandoned them to their fate and refuses them asylum in the U.S.S.R., the correspondent reports.

Pointing out that the numerous German and Austrian political refugees in Czechoslovakia are in grave danger of being extradited to Germany, where a terrible fate awaits them, the correspondent writes (*Manchester Guardian Weekly*, Jan. 6, 1939):

"The position of the German Communists is most tragic of all. Whereas many of the German Socialists have succeeded in receiving visas for other countries, nobody wants the Communists; and according to a Prague message in *Posledne Novosti*, the well-informed Russian Liberal paper published in Paris, they have in vain been imploring the Soviet Legation in Prague to allow them to go to Russia. The message states that Peter Forster could have been saved by the Soviet Legation, but in his, as in all similar cases, it refused a visa."

The French Radical Socialist organ *Republique* reported this week that the French Government had sounded the Soviet Russian Government as to whether the Soviet Union was prepared to receive between 20,000 and 30,000 Republican Spanish fugitives. The Soviet Union's answer was that it is not prepared to admit fugitives.

Indicating the advance of nationalist ideology in the U.S.S.R., replacing the former internationalist conceptions, the Stalin government has changed the oath taken by Red Army soldiers by eliminating the reference to the "international" duties of Red soldiers as fighters for the "world revolution." The newly-worded oath of loyalty pledges the Red Army man to be "a loyal soldier, disciplined, vigilant; to guard strictly military and state secrets; to execute without discussion military regulations and orders of officers and commanders, and at all times, upon the order of the government of the workers and peasants, to march to the defense of my country, the U.S.S.R."

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Let us MARFAK your car
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New Books of Interest in the Far East

Columbus to Roosevelt

HISTORIC CURRENTS IN CHANGING AMERICA—By Harry J. Carman, William G. Kimmel and Mabel G. Walker. Published by the John C. Winston Company, Philadelphia, 1938. pp. 854, with appendices, index, maps and plates. Price U.S.$3.00.

This volume will be found very useful as a work of reference by students of American history, although this reviewer feels that it duplicates, in some measure, Prof. Charles A. Beard's *Rise of American Civilization*, which rightly has earned place as a classic in American historiography. The authors of the volume under review are historians in the text-book tradition.

Indeed, it is a text-book that the authors of this volume have produced, both in style of writing and the arrangement and treatment of material. Each of the numerous chapters is followed by a set of problems and activities for the student, also a list of reading references. Especially interesting are the numerous maps and charts showing the course of American history, and the reproductions of lithographs, drawings and cartoons illustrating the text.

The purpose of the authors in writing the volume is set out in the Preface: "American life may be likened to a mighty river. At times it has flowed smoothly, while at other times its waters have been divided or temporarily blocked, only to cut unforeseen channels. Then it has again moved majestically onward in ever-changing currents. It is to help the reader understand the many springs which have fed this majestic stream, as well as the cross currents and eddies of today which may determine possible directions of the stream, that *Historic Currents in Changing America* has been written."

The volume opens with the discovery of America and brings us right down to the era of Franklin D. Roosevelt and the New Deal. It is thus up-to-date, as well as comprehensive.

F. G.

U.S. in World Trade

OUR WORLD TRADE and SOUTH AMERICA'S TRADE—Pamphlets of the Chamber of Commerce of the United States, Washington, D. C.

These pamphlets of the Chamber of Commerce of the United States are interrelated. Whereas the first gives the value and volume of the principal exports and imports between the United States and the chief foreign markets, the second deals only with the share the United States has in exporting to and importing from the ten republics of South America.

The first half of 1938, the United States took about 11 per cent of the entire world movement of imported merchandise, but a considerable amount of former sales to South America went from the States to Germany and Japan. Germany displaced the United States as best seller to both Brazil and Chile, and America dropped to fifth place as seller to Paraguay, surpassed by Argentina, Japan, Germany and the United Kingdom. In the field of international trade, the statistical summary shows that external commerce in the world met with a check in a number of quarters, due to American business recession during the first half of 1938 and to the disturbed political conditions which have injected uncertainty into many normal processes of trade.

T. A.

Publishing Figures Reveal Japanese Cultural Decline

More Japanese magazines and books were published and sold in 1938 than in 1937 despite restrictions on the use of paper, according to statistics issued by the Japanese Home Office, which show a total of 60,000,000 copies was published in 1938, an increase of 20 per cent over the previous year.

Demands for books on military affairs, economics, medical science, and industries have been steadily increasing, while demands for books on literature, society, philosophy, natural science, and other practical sciences have been declining. A total of 5,800 books on religion, philosophy, and education were published in 1938, which marked a decrease of 1,400 from that of 1937. The total of all practical science books was on the decline.

Conspicuous decreases were registered in books issued on literature and art last year. The best seller of 1938 was *Wheat and Men*. written by Ashihei Hino, which sold 700,000 copies. Mr. Hino is now serving as a sergeant-major in the Japanese Expeditionary Forces in China. His book contains descriptions of his impressions as a Japanese soldier in China.

Japanese Use Poison Gas in Hupeh, Chinese Charge

Following the recapture of Kinniu, southeastern Hupeh, on Feb. 13, Chinese troops continued their drive westwards on Hoshengkiao, on the Canton-Hankow Railway south of Wuchang, provincial capital of Hupeh. Hotly pursued by the Chinese troops, the retreating Japanese resorted to the use of poison gas shells. This was according to a *Kuo Min* dispatch.

The wind, however, changed its direction unexpectedly and the poison gas was blown back towards the Japanese positions, more than a thousand Japanese soldiers being killed or disabled in consequence, the dispatch claimed.

Lieut.-General Yamada, commander-in chief of the Japanese forces in central China, is reported to have issued an urgent order for the despatch of anti-gas masks for the Japanese troops at the front.

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Japan Makes First Move in Currency Inflation

Legislation authorizing increases in the note issue of Japan's three issuing banks will be introduced in the present Diet session, *Domei* reported last week.

Increased by Yen 500,000,000, the legal note issuing limit of the Bank of Japan will be raised to Yen 2,700,000,000, while that of the Bank of Chosen will be extended by Yen 60,000,000 to Yen 160,000,000. The Bank of Taiwan will be permitted to issue Yen 80,000,000 worth of notes, an increase of Yen 30,000,000 above its present limit.

This inflationary tendency, Finance Ministry officials declared, would be temporary to cope with the present emergency, but would not be perpetuated.

A new Yen 200,000,000 bond issue in connection with the China hostilities and another Yen 100,000,000 issue to meet a revenue deficit are being planned by the Japanese government, the Finance Ministry has announced. The first issue will be underwritten by the Bank of Japan and the latter by the Postal Savings Bank. Part of the bonds underwritten by the Bank of Japan will be offered for general subscription through post offices. The bonds will be redeemable in 17 years and will bear 3½ per cent interest.

U. S. Worried By Nippon Interest in Mexico Oil

United States interests are agitated by Japanese penetration of the Mexican petroleum industry, says the Mexico City correspondent of the London *Times*.

A Japanese-owned company, with a 10,000-acre concession near an expropriated oilfield, he adds, is attempting to obtain a further 20,000-acre concession in the same region. The correspondent understands that the concessions include a cooperative arrangement with the Mexican Government.

The Japanese company, financed at $15,000,000, he continues, plans to build pipe-lines from oilfields on the east coast to Salina Cruz, on the Pacific coast. If an important field is discovered on the east coast, he declares, the possibility of transporting petroleum through the Panama Canal remains.

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87-460

U.S.-Soviet Dispute Seen Over Wrangel Island Base

Possibility of a dispute between the United States and the Soviet Union regarding sovereignty over Wrangel Island, in the Arctic Ocean, was foreseen in Washington last week when Mr. Marvin Maas, Republican Representative of Minnesota and member of the House Naval Affairs Committee, proposed the establishment of a United States Navy air base on the island.

Although the island, north-west of Alaska, is now occupied by Soviet Russia, Mr. Maas said the occupation was without legal right and that the United States "has a clear title to the island."

Mr. Maas, who introduced his proposal in the House of Representatives in the form of a bill, said a similar bill would be introduced in the Senate by Senator Robert Reynolds, Democrat of North Carolina.

"We expect the island to become an important point in relation to our new system of defence in the Far East," Mr. Maas said. "Establishment of an American naval base on Wrangel Island would round out our program of establishing such bases in Alaska. These bases are solely of a defensive nature, of course."

Japanese Consulates in Manchukuo to Close

The majority of the Japanese Consulates in Manchukuo will be closed before the end of this month, it was announced in Hsinking on Feb. 17. Special ceremonies will mark the closure of the consular offices, the first one of which will be at Antung, followed by the closing of those at Chinchou, Chengte, Tsitsihar and Kirin. Officials of the consulates will leave Manchukuo within this month. Protection of Japanese residents will be entrusted to the Manchukuo Government. Closing of the consular offices was decided by the Japanese Foreign Office at the end of last year.

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